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BULGARIA

New Laws on Currency, Foreigners Summarized

22000109a Sofia RABOTNICHESKO DELO in Bulgarian 11 Jul 89 p 2

[Text] The following very important legislation was published in Issue No 53 of DURZHAVEN VESTNIK:

Ukase No 1343 of the State Council, Dated 6 July 1989, Amending and Supplementing the Law on Deals With Foreign Exchange and Foreign Exchange Control

Foreigners residing in our country will be forbidden to buy or sell foreign exchange for leva outside the proper procedures stipulated to this effect, or related activities. Local individuals are forbidden to buy or sell from or to foreigners foreign exchange brought from abroad, and the exchange of such currency for leva. It is forbidden to foreigners to engage in purchase and sale operations with other foreigners of foreign exchange introduced from the outside for leva. Exceptions are allowed only in the cases stipulated in the Council of Ministers regulation.

All local individuals must declare any foreign exchange which has become their property or which they can dispose of in the country or abroad; the time for such declarations is extended from 14 to 30 days of notification that they have acquired such funds. The thus declared currency may be deposited in an account, taken abroad, sold to banks or used for purchases in stipulated stores; the customs declaration will set the value of the purchase. If the released currency is not used for the proper purpose, it must be deposited in the bank within 30 days from the day after which it cannot be used any longer or, correspondingly, from the time the individual has returned in the country. Foreign exchange control will be applied also to deals involving property within the country, conducted between foreigners. So far such control was applied only in the case of deals involving local residents and foreigners.

Ukase No 1344, Dated 6 July 1989, Amending and Supplementing the Law on the Stay of Foreigners in the Bulgarian People's Republic

The Ukase provides a more complete and clearer formulation of some basic concepts in the law, such as "foreigner," "foreigner who is a permanent resident in the country," and "foreigner in transit."

A foreigner who enters or crosses the country with a means of transport by land, air or sea must also have a permit for the means of transportation as well as a license, registration, and proof of ownership or authorization. Certain changes have been made in the conditions and procedure for refusing a foreigner the right to enter the country or to cross the country in transit. Identification documents may not be surrendered by or requested from a foreigner as security or be transferred to or used by another individual.

Officials and citizens who grant shelter or employ a foreigner must see to it that he has registered his address or else inform the respective passport service within a stipulated time. Foreigners who are allowed to remain in the country have the right to work.

Regulations on Telecommunications, Facsimiles

22000094 Sofia DURZHAVEN VESTNIK in Bulgarian 14 Jul 89 pp 1-8

[Text]

Communications Association Regulation No 3, dated 9 May 1989, on Telephone and Facsimile Communications

Chapter One

General Stipulations

Article 1. The present regulation sets conditions and procedures for the building and maintenance of telephone and facsimile communications and their use by establishments, companies, other organizations, and private citizens.

Article 2.1. The Communications Association will manage, organize, and control the development of telephone exchanges and networks for public use in accordance with the stipulations of the Law on Communications, the present regulation, and the Rates on Domestic Postal, Telegraph, Telephone, and Radio Services (published IZV, No 97, 1961; amended and supplemented No 62, 1962; DV No 28, 1964; No 14, 1971, Nos 30 and 96, 1972, No 97, 1979; No 6, 1983; No 2, 1986, and No 20, 1987).

2.2. The sum total of all electronic communications facilities for telephone communications in the country, with the exception of internal telephone communications as per Article 4, paragraph 1, constitute the unified national telephone network, which is the basic asset of the Communications Association.

Article 3.1. The unified national telephone network is developed on a planned basis by the Communications Association.

3.2. By permission of the Communications Association branches offices, companies, other organizations, and private citizens may, set up telephone lines and networks for the installation of telephone facilities in individual buildings or projects not falling under the stipulation of Article 1. Such developments require the use of personal means and materials, independently or assigned to a specialized organization. The thus established telephone lines and networks must be reviewed for acceptance with the participation of representatives of the Communications Association and become its basic asset as per Article 30 of the Law on Communications.

Article 4.1. Offices, companies, and other organizations can establish for their own needs internal (dispatcher)

telephone communications among the buildings and equipment they use. Such communications are not included in the national communications system.

4.2. Direct internal (dispatcher) telephone connections among establishments, companies, and other organizations under different jurisdictions may be developed on an exceptional basis by permission of the chairman of the Communications Association or his authorized representatives.

4.3. The installation of home telephone sets connected to the dispatcher telephone system is not allowed.

Article 5.1. The Communications Association may grant by contract the use of its telephone poles for the installation of dispatcher telephone cables of other offices, companies, and organizations. Should this require the reinforcement, repair or redesigning of the line, the expenses will be borne by the user. The cost estimate documents will be drafted by the engineering organization of the Communications Association.

5.2. Dispatcher telephone lines may not be installed on a consecutive basis on the poles for communications or on low or high tension poles.

Article 6. The users of high tension power cables and other electric power systems must observe the stipulations of Chapters 3, 4, 5, and 6 of the Regulation on the Protection of Communications Lines From Dangerous Disrupting Electromagnetic Influence on Electric Power Lines and Admissible Minimal Distances (unpublished). The necessary protective equipment and work must be done by the users with their own funds and materials.

Article 7. Channels of the underground telephone channel grid of the Communications Association may be granted for telephone cables serving the needs of the State Council, Council of Ministers, Ministry of National Defense, and Ministry of Internal Affairs and, on an exceptional basis, other departments, by permission of the Communications Association.

Article 8. Outsiders may be allowed to use channels of the underground channel network, the terminal distribution boxes, and other terminals only by permission of the communications branches or, in the case of planning studies, new construction, restructuring or maintenance of cables or equipment included in the initial channel network.

Article 9. Direct-dial telephone exchanges will work on a round-the-clock basis. The working time of the operator-manned exchanges will be based on an order issued by the chairman of the Communications Association.

Article 10. The branches of the Communications Association will set up coin-operated public telephones. Offices, companies, other organizations, and private citizens must assign suitable places where coin-operated telephones can be placed.

Article 11.1. The Communications Association branches will guarantee the secrecy of telephone conversations.

11.2. Personnel of the Communications Association are not allowed to listen to telephone conversations unless the connection has to be made by an operator, with a view to controlling the audibility and duration of the conversations or by request of the telephone users.

Chapter Two

Settlement Telephone Communications

Section I

Settlement Telephone Network

Article 12.1. The settlement telephone network is the sum of communications lines, installations related to them, and telephone sets, needed for providing telephone facilities in a settlement. The boundaries of the settlement telephone network coincide with those of the building and regulatory plan of the settlement.

12.2. Telephones installed outside the boundaries of the building and regulatory plan and connected to the settlement telephone network are considered long-distance telephone lines.

Article 13.1. Telephone communications between telephones are considered local if they are located:

1. Within the same settlement;

2. In settlements whose settlement telephone networks are linked through a single direct-dialing telephone switchboard within a local telephone network approved by the Communications Association.

13.2. Also local are telephone communications among distant telephone sets within the settlement telephone network or linked to the local telephone network.

Article 14.1. The telephone sets must be connected to the closest telephone exchange.

14.2. By exception, the connection of a telephone from the area of one telephone exchange to another within the same settlement will be carried out by the respective branches of the Communications Association if the subscriber agrees to pay an additional subscription fee as per point III.21 of the Rates of Domestic Postal, Telegraph, Telephone, and Radio Services.

Article 15.1. In building public and residential buildings more than two stories high and with more than three apartments each, the investors must, in coordination with the communications branches, stipulate in the cost estimate documentation and build a concealed internal telephone system with five outlets passing through the foundations of the building for purposes of connecting with the settlement telephone network.

15.2. In internal telephone systems of public buildings, hotels, and sports projects, there will be 20 pairs of

telephone cables each for the public halls, and five each for the luxury apartments and two each for all other rooms.

Article 16.1. The internal concealed telephone system of the buildings will be built in accordance with the technical stipulations and standards as defined by the chairman of the Communications Association.

16.2. The internal concealed telephone installation will include the following:

1. A pipe installation going through the cellars with telephone wires for connections among the combined installation-distribution boxes of the individual outlets within the same section;

2. A combined installation-distribution box whose size will be consistent with the number of apartments and duplex boxes installed at the entry way before the staircase along a wall free from high tension installations and devices. With the same technical conditions, it is allowed for this box to be installed on the first floor landing of the staircase or, as an exception, in a dry cellar premise with a draft, in the general part of the building, with free access to the technical authorities and lighting suitable for working purposes;

3. A control box for installations on each staircase landing;

4. A pipe installation or bridge wiring, depending on the construction system, for each apartment, placed under the plaster lining;

5. Twin telephone wires, set in the pipe installation, no less than 1 meter long, in a combined installation-distribution box, with markings for each separate apartment.

16.3. The chairman of the house council will be in charge of locking the installation-distribution box and assign a keeper of the box key.

Article 17.1. The branches of the Communications Association will connect the internal concealed telephone wiring of public and house buildings to the settlement telephone network through underground telephone cables, which will end with cable terminals mounted in the combined installation-distribution boxes.

17.2. In the case of multiple-entrance house buildings, a wire of the telephone cable will be conducted as follows: with two entrances, in one of them; with three entrances, in the middle one; in more than three, each second one. The entrances in which the underground telephone cables will be laid must be marked in the house plans.

Article 18. The internal concealed telephone wiring must be accepted at the same time as the building by a commission involving the participation of a representative of the Communications Association.

Section II

Office Telephone Exchanges

Article 19.1. Office telephone exchanges with internal telephone networks for them will be built for internal outgoing and incoming telephone traffic of offices, companies, and other organizations which need more than 10 telephone outlets.

19.2. The internal telephone grid will be built in one or several neighboring buildings and will connect the office telephone exchange with the internal telephone outlets used by the organizations.

19.3. Household telephone sets may not be connected to an office telephone exchange.

Article 20.1. A direct telephone connection between office telephone exchanges and telephones of the services of an institution, company or other organization located in different buildings within the settlement is allowed by permission of the Communications Association by building a separate cable or above-ground connection or, on an exceptional basis, with the use of paired telephone connections of the settlement telephone network.

20.2. By permission of the Communications Association branches an office telephone exchange can service several offices, companies or other organizations operating in the same building.

Article 21. Direct telephone communications among office telephone exchanges of two different offices, companies or other organizations will not be allowed.

Article 22.1. The designing, building, maintenance, use, and moving an office telephone exchange will be based on the stipulations of the present regulation, the Regulation on the Performing and Accepting Construction and Installation Work (unpublished), and approved standards.

22.2. Offices, companies, and other organizations will coordinate with the communications branches their plans for office telephone exchanges, including the internal telephone network and connecting lines.

22.3. The completed project as per paragraph 2 will be commissioned for regular use after its acceptance by a commission including a representative of the Communications Association.

Article 23.1. Office telephone exchanges will be connected to the settlement telephone exchange with connecting lines which will be connected to the main distributor of the office telephone exchange.

23.2. The building of connecting telephone lines will be based on the procedure stipulated in Article 3, paragraph 2.

23.3. Each connecting line will have its separate number.

23.4. Only one additional telephone set located within the same premise can be added to any internal telephone line of an office telephone exchange.

Article 24. Offices, companies, and other organizations must, within a 2-year period after being informed in writing by the Communications Association branches, make, at their own expense, the necessary technical restructuring of office telephone exchanges necessitated by any replacement or modernization of the settlement telephone exchange to which they are connected.

Article 25.1. The office telephone exchange, the internal telephone systems, and individual sets will be maintained by the organizations which own them or by the branches of the Communications Association on the basis of a contract.

25.2. The connecting telephone lines from the main distributor of the settlement telephone exchange to their terminal distribution system in the office telephone exchange will be maintained by the branches of the Communications Association.

Article 26. The branches of the Communications Association will provide technical control over office telephone exchanges and their internal telephone systems and sets and set a deadline to the subscribers to correct any noticed irregularities. Should such stipulations be violated, the branches of the Communications Association have the right to disconnect the connecting telephone lines of the office telephone exchange until the irregularities have been corrected.

Section III

Telephone Installation

Article 27.1. The branches of the Communications Association will install telephones on the basis of a written request (petition) submitted by offices, companies, other organizations, and private citizens.

27.2. The petition as per paragraph 1 will be submitted to the subscription service of the branches of the Communications Association of the site of the building in which the telephone set will be installed.

Article 28.1. Requests for the installation of telephone lines will be met in the following sequence:

1. National Assembly, State Council, and Council of Ministers;

2. Foreign diplomatic, consular, and other missions;

3. Offices, companies, and other organizations;

4. Private citizens.

28.2. Requests of the same category will be met in the order in which they have been received.

28.3. In installing telephone sets for private citizens, priority will be given to the following:

1. Subscribers with unlisted telephone numbers who have moved within the same settlement;

2. Active fighters against fascism and capitalism;

3. Bearers of the titles "Hero of the Bulgarian People's Republic" and "Hero of Socialist Labor;"

4. First and second group disabled, and parents of children suffering from physical or mental disabilities, in accordance with the procedure stipulated in the Ukase on Encouraging the Birth Rate (published in DV No 15, 1968; amended and supplemented, No 21, 1968, No 63, 1973, No 17, 1974, Nos 3 and 21, 1975, No 63, 1976, Nos 36 and 93, 1979, No 4, 1981, No 73, 1982, No 51, 1984, and Nos 36 and 87, 1988);

5. Veterans of the 1944-45 Patriotic War;

6. Families with three children;

7. Workers who commit themselves to working within the Communications Association system 5 years after the installation of the set.

28.4. Priorities as per paragraph 3, points 2-7 can be used one time only.

28.5. In the case of particularly difficult health, family or other reasons, on an exceptional basis and if technically possible, the branches of the Communications Association may install telephone sets in addition to the cases stipulated in paragraphs 2 and 3.

Article 29.1. The name in a petition for the installation of a telephone line may be changed by request of the petitioner to a member of his household residing at the same address.

29.2. A citizen who has submitted a petition for a telephone set who changes his address to the area of another direct-dialing exchange in the same settlement may have his petition transferred without loss of priority. The waiting turn of the transferred petition may be applied to any one member of the household who remains at the same address, by written agreement between the household members.

29.3. In the case of the death of an individual who has requested a telephone set, the petition may be transferred on the basis of a written request of those interested in accordance with the procedure of Article 41, points 3 and 4.

29.4. In the case of divorce both former spouses may retain in the same settlement their place in the waiting line for the installation of a telephone set submitted by either of them.

Article 30.1. Requests as per Article 27, paragraph 1, will be studied and, if technically possible, the petitioner will be informed in writing (return signature requested) of the requirement to pay the fee for the installation of the telephone set.

30.2. If the fee as per paragraph 1 has not been paid within the stipulated time without valid reason, the decision to install the telephone set will be annulled. This will be reported to the petitioner. The annulled decision

may be appealed in accordance with the stipulations of Chapter Three of the Law on Administrative Procedures.

Article 31. Telephones may be installed by the branches of the Communications Association within 1 month after the fee has been paid.

Article 32.1. Telephones may be direct or duplex (telephone pairs) and each set will have its separate number.

32.2. Duplex telephones may be provided only to citizens for home use. They are installed in a single or two neighboring buildings. An exception is allowed by permission of the branch of the Communications Association in accordance with technical standards.

Article 33. Telephones for temporary use may be installed by written request of offices, companies, and other organizations for holding congresses, exhibitions, ceremonies, fairs, sports events, and others, within the stipulated time, after payment of the fee as per item III—44, 45, and 46 of the Rates of Internal Postal, Telegraph, Telephone, and Radio Services.

Article 34. A telephone line may be changed from straight to duplex and back without requesting the permission of the subscriber. The subscriber is informed in writing in advance of the change and informed of his new number.

Article 35.1. By request of the subscriber and with the permission of the branches of the Communications Association, an additional telephone set, automatic dialing, a facsimile and other devices may be added to a straight telephone line in the same building.

35.2. Only additional switches for moving the telephone set may be installed in a duplex telephone.

Section IV

Relations Between Telephone Subscribers and the Communications Association

Article 36.1. Any physical or juridical person in the name of which a telephone set or any other telephone equipment has been installed is a telephone subscriber.

36.2. It is not allowed for several individuals (physical or juridical) to be joint subscribers of a single telephone set.

Article 37. The Communications Association branches must:

1. Install telephones if technically possible;
2. Maintain telephone equipment in a condition which will ensure its normal functioning;
3. Ensure continuous and high quality telephone communications;
4. Repair promptly any malfunctioning of telephone installations;

5. Provide services, reference, and information as stipulated in Chapter Two, Section V.

6. Provide stipulations on the proper use of telephone facilities and block the use of faulty equipment until it has been repaired.

7. Provide technical supervision of each telephone set and its attached equipment and installations.

Article 38.1. The telephone subscriber must:

1. Pay the necessary charges within the stipulated time;

2. Use telephone sets meeting Bulgarian state standard (BDS) requirements;

3. Observe the stipulations of the Communications Association branches relative to the telephone equipment used;

4. Allow technical supervision of the telephone set and equipment and installations by authorized individuals who must carry proper official identification;

5. Let his telephone set be used for calling first aid, the fire department, the people's militia or in the case of natural disasters;

6. Protect the telephone set, instruments, and installations from damages;

7. Prohibit telephone conversations harming the state and public interests and in violation of legal standards.

38.2. The subscriber will be responsible for all violations related to his telephone set in accordance with Chapter Six of the present regulation.

Article 39. The subscriber is forbidden:

1. To turn off his telephone set or leave the line open;

2. To make or allow other individuals to make disrupting calls from his telephone set;

3. To allow false telephone requests for aid, fire, accident, etc.;

4. To cut off his telephone line;

5. To grant to someone else the use of his telephone set. This does not include cases in which, as a result of temporary absence from his home, the subscriber may allow his telephone to be used by physical or juridical persons to whom he has rented his premises. If the set is granted for use by organizations or foreign citizens, the subscriber must inform the respective subscription service within 3 days for purposes of changes in the fees. The subscriber is responsible for the payment of the owed fees even if he has assigned his telephone set to other physical or juridical persons;

6. To obstruct telephone communications;

7. To collect funds for long-distance talks in manual settlement telephone exchanges without a meter;

8. To connect devices to his telephone set or office telephone exchange;

9. To build or change the telephone installation;

10. To lock or remove the dialing disk or restrict by any other means the use of the set or of the office telephone exchange;

11. To repair personally any malfunction in his telephone equipment.

Article 40.1. In moving his residence or work premises within the same settlement, on the basis of a written request of the subscriber, the telephone may retain the same number if technically possible.

40.2. In the cases stipulated in paragraph 1, if no technical facilities are available to keep a set with the same number, the telephone line is disconnected and the subscriber is given priority as per Article 28, paragraph 3, point 1. The disconnected line may be reconnected on the basis of written request by any member of the household who remains at that same address.

Article 41. Changing the name of the user of a telephone set without change of address is allowed in the following cases:

1. If the subscriber has changed his name;
2. Because of a transfer from one member of the household to another;

3. In the case of death of the subscriber:

a. To the surviving spouse on the basis of a written request. If no such request has been filed or if no such wish is expressed, the name of the subscriber may be changed on the basis of a written agreement among the heirs who will continue to live in the premises where the telephone set was installed. If no agreement among them can be reached, the dispute must be settled in court;

b. To one of the relatives with whom the deceased has lived, if a written agreement between them exists;

c. To the individual who has acquired the residence and will live in it in accordance with a contract for care and support, unless there are grounds for the application of the stipulations of letters "a" and "b" and of point 4;

4. In the case of reorganization of offices, companies, and other organizations, the subscriber must inform the communications branches of the disconnecting of the telephone. The line may be assigned to the legal successor on the basis of a written request.

Article 42. In the case of a divorce, when the subscriber is the husband who leaves the family home, the telephone set is reassigned to the spouse who remains in the residence, if so desired. The petition for renaming the

owner must be submitted along with a transcript of the divorce decree and a statement by the house manager to the effect that the former spouse has left the residence. The former spouse has priority as per Article 28, paragraph 3, point 1.

Article 43.1. Telephones are disconnected:

1. By written request of the subscriber;

2. For failure to pay the subscription and other fees. One month after the stipulated payment deadline, the telephone line is disconnected and the subscriber is given a written warning to the effect that unless the charges have been paid within a period of 2 months after the written notification, the telephone service will be discontinued;

3. Officially: in the case of expropriation of real estate in which a telephone set has been installed and the subscriber has not requested a change of the set within 3 months after leaving (releasing) the property. In such a case the former subscriber is given priority as per Article 28, paragraph 3, point 1;

4. In the cases stipulated in Article 63 of the Law on Communications.

43.2. A telephone set is disconnected by order of the communications branch, of which the subscriber is informed. The order to disconnect as per paragraph 1, point 2, may be appealed in accordance with the stipulations of Chapter Three on the Law on Administrative Procedures.

Article 44.1. In submitting a request for disconnecting or transferring a telephone, the subscriber must also submit the written agreement of the other spouse.

44.2. If no agreement as per paragraph 1 has been reached:

1. The telephone is disconnected unless the other spouse requests a name change;

2. The telephone is transferred to the new address if technically possible. If the technical possibility of transfer does not exist, the telephone is charged to the other spouse at the latter's request. The spouse remaining without a telephone has priority as per Article 28, paragraph 3, point 1.

Article 45.1. In order to meet particularly important state or public requirements, the chairman of the Communications Association has the right to disconnect temporarily for no more than 1 year, as per Article 33, paragraph 1, of the Law on Communications, telephone sets, for which subscribers are informed in advance. The thus disconnected telephones are then reconnected by the service.

45.2. The disconnecting and nonreconnecting of telephones may be appealed in accordance with the procedure of Chapter 3 of the Law on Administrative Procedures.

Article 46. Changes in the telephone number are allowed in the following cases:

1. By written request of the subscriber, if technically possible and after the payment of a fee as per the Rates of Internal Postal, Telegraph, Telephone, and Radio Services;

2. Officially, by the telephone service of the Communications Association branch, should a change in the number become necessary for technical reasons, without the payment of a fee and without requesting the agreement of the subscriber. In such cases the subscriber is informed in writing in advance and told of the reasons and his new telephone number.

Section V

Telephone Services and Information

Article 47. The Telephone Services service of the Communications Association branches will provide telephone information on telephone numbers of subscribers of a given settlement, based on indicated name and address.

Article 48. The telephone subscriber may request of the local telephone exchange to put in a wake-up call for a stipulated hour or to be called for other reasons.

Article 49.1. The telephone subscriber may send telegrams from his telephone by dialing a certain telephone number of the local telegraph service of the Communications Association branch. The cost of the telegram will be included in the telephone charges for the respective quarter.

49.2. Offices, companies, and other organizations are not allowed to send telegrams by telephone, with the exception of the hydrometeorological services. Telegrams may be sent by telephone by offices, companies, and other organizations outside the limits of the settlement by written permission of the respective Communications Association branch.

49.3. A telephone subscriber may request of the local telegraph service to read to him over the telephone the content of telegrams received at his address.

Article 50.1. A subscriber who is harassed by telephone may request in writing and for a fee for the local telephone exchange to identify the telephone from which he is being harassed.

50.2. If the telephone used to harass has been identified, its subscriber will be penalized in accordance with Article 55, paragraph 2, and Article 63 of the Law on Communications.

Article 51.1. A telephone subscriber may request in writing from the respective Communications Association branch for his telephone to be disconnected for a period ranging from 15 days to 2 years.

51.2. The set thus disconnected as per paragraph 1 may be reconnected by written request of the subscriber.

51.3. The subscriber will pay the subscription fee only for the period of disconnected service.

Article 52. The telephone subscriber has the right to a free inclusion of his number, name, and address in any telephone directory publication. Additional entries by profession, name or other may be made on the basis of a written request of the subscriber and for a fee.

Article 53.1. Telephone exchanges of offices, companies, and other organizations will be entered in the telephone directories with the numbers of their telephone lines incoming from the settlement telephone exchange. Series of numbers will include only the first number of the series. The numbers of internal telephone extensions will not be entered.

53.2. In the case of office telephone exchanges with incoming automatic dialing of internal telephone extensions, the telephone directory will always list a number for information concerning the extensions.

Article 54. By written request of the telephone subscriber, and for a fee, the following names may be entered in the telephone directory:

1. Of members of the family of the subscriber of legal age if they share the same residence;

2. Lawyers who are members of a lawyers' group and who work in the same room or in two neighboring rooms.

Article 55. By request of offices, companies, and other organizations, on the basis of a contract, the Communications Association branches may issue telephone numbers through which they may transmit their information for public use concerning cultural and sports events, weather forecasts, pharmacies on duty, etc.

Article 56.1. The telephone subscriber may request in writing the listing of registered conversations, fees paid, and the technical condition of the telephone set.

56.2. Information for third parties may be provided only if so stipulated by the court or the prosecutor's office.

Chapter Three

Long-Distance and International Communications

Section I

Long-Distance Telephone Connections

Article 57. Telephone communications which connect postal, telegraph, and telephone stations or communications facilities in different settlements are considered long-distance.

Article 58. Long-distance telephone connections may be leased to other departments, companies, and organizations of the Communications Association.

Article 59. Long-distance telephone connections may be granted for purposes of television and radio broadcasts only against payment and preliminary request for such facilities 24 hours prior to the transmission.

Section II

Long-Distance Telephone Communications

Article 60. Telephone communications between different settlements, with the exception of those stipulated in Article 13, paragraph 1, point 2, are classified as long-distance.

Article 61.1. Long-distance telephone communications are established with automatic dialing or a manual dialing service with requests, summonses, and notifications submitted from telephone sets or postal, telegraph, and telephone stations.

61.2. Long-distance telephone calls with automatic dialing are recorded by the subscriber's meter, based on the length and distance to the dialed telephone number.

Article 62.1. Depending on the individuals and the nature of the communications, long-distance telephone communications are classified as "no category," and I, II, and III categories.

62.2. Stipulated officials included in a list approved by the chairman of the Communications Association have the right to make "no category" and first and second category telephone calls. Offices, companies, other organizations, and private individuals may make long-distance calls of the third category.

Article 63. Long-distance telephone calls based on orders, and according to the speed with which the request is met, are classified as regular, fast, and instantaneous.

Article 64. Requests for calls may be submitted only for the current day, for a person-to-person long-distance call.

Article 65. Before the connection has been established, the requester may request the following changes: a change of the number from which the call is made, a change of the number sought or the individual, the rating of the order, and the time of call; he may also change a regular request to a call requesting notification or summons.

Article 66.1. Orders for calls are fulfilled in the order they have been received and in accordance with the category and rate of the call.

66.2. Violations of the procedure as per paragraph 1 are allowed only in exceptional cases for calls related to natural disasters, fire, calling emergency medical aid, official calls for repair of damaged telegraph and telephone lines, and special requests submitted by subscribers who have the right to a no-category call.

Article 67. Requests for a call for a specific hour for an individual in a telephone booth of another postal, telegraph, and telephone station, as agreed between the individuals, may be accepted.

Article 68.1. Accepted requests for a call are submitted to the sought individual no later than 1 hour prior to the stipulated beginning of the call; information on a fast call is delivered immediately after reception. The individual is summoned for a telephone call to the nearest postal, telegraph, and telephone station, the number of which is entered in the summons.

68.2. Summonses are submitted against the personal signature of the recipient and, in his absence, a member of his family or any individual residing in the premises, with a notification of the time of delivery. If the summons names two recipients, it is submitted to only one of them.

68.3. Telephone summonses addressed to individuals working in offices, companies, and other organizations or citizens in rest homes, hostels, hotels, and so on, are received and delivered to the recipients by an authorized individual of the respective office, company, organization, hostel, etc.

68.4. Summonses addressed to individuals who have telephone sets are transmitted by telephone. Should the telephone set of the subscriber fail to answer, the summons is delivered according to the procedure of paragraphs 1 and 2.

68.5. Summonses addressed to "post office box" or "on request" will not be delivered directly to the recipients, for which reason their prompt delivery is not guaranteed by the telephone service.

Article 69. Long-distance telephone calls with notification may be made by individuals using a specific telephone set or an office telephone exchange. The notification must be submitted for a specific time.

Article 70. Summonses and notifications for calls may be accepted for the same or the following day.

Article 71. Reverse charges are allowed only by permission of the receiving individual.

Article 72. After the call, should the subscriber request of the opposite telephone service to dial another telephone number, the rate charged for the second call will be the next higher.

Article 73. Subscriber calls may be made for a contracted time and under stipulated conditions daily between the same subscribers at a specific time and for a specific length of time.

Article 74. Information on long-distance telephone calls may be requested from the postal, telegraph, and telephone station which has provided the service within a period of 3 months after the completion of the call.

Section III

International Telephone Calls

Article 75. The Communications Association offers offices, companies, other organizations, and private citizens the possibility of making international telephone calls through direct dialing or the service of the operator.

Article 76. The organization of the international telephone service and international telephone traffic is governed by rules and standards set by the International Long-Distance Communications Union.

Article 77. The Communications Association may lease to offices, companies and other organizations, for permanent or temporary use, international telephone communications facilities.

Article 78. Information on international telephone calls must be requested in writing from the telephone service which has provided that service no later than 3 months after the call was made.

Chapter Four

Facsimile Communications

Article 79.1 Facsimile communications consist of transmitting and receiving texts, graphics, and others, with facsimile apparatus connected to telephone sets.

79.2. The Communications Association sets the type of facsimile devices which can be connected to the national telephone network.

79.3. Offices, companies, and other organizations must procure their own facsimile devices.

Article 80. Facsimile devices may be connected to telephone sets of:

1. Branches of the Communications Association, for public use;

2. For use by offices, companies, and other organizations.

Article 81.1. Permission to install a facsimile set must be given by the branch of the Communications Association, on the basis of a written request submitted by the telephone subscriber.

81.2. The facsimile set will have the same number as the telephone to which it is connected; for information

purposes, the letter "f" will be added to this number in the telephone directory, but will not be part of the regular telephone number.

81.3. The installation, maintenance, and dismantling of facsimile devices will be done by the branches of the Communications Association.

Article 82.1. Facsimile communications may take place between facsimile sets of:

1. Branches of the Communications Association;

2. Branches of the Communications Association and other offices, companies, and organizations, and vice versa;

3. Offices, companies, and other organizations.

82.2. Facsimile communications as per points 1 and 2 of paragraph 1 may be received and sent by all postal, telegraph, and telephone stations equipped with facsimile sets and must include the full address of the sender and the receiver.

82.3. Facsimile communications must be typed or written in ink, in a color different from that of the paper, the dimensions of which may not exceed 297 x 210 millimeters.

82.4. After the facsimile transmission by the communications branches, the originals of the facsimile communications must be returned to the sender.

82.5. A form receipt, with the date stamped by the postal, telegraph, and telephone station, must be issued for fees paid for transmitted facsimile communications.

Article 83. The following may not be accepted, transmitted or delivered:

1. Facsimile communications threatening state security, and the public order and tranquility of the citizens, or those containing insulting or immoral material as per Article 34 of the Law on Communications;

2. Communications on illness or death. Such communications must be sent as telegrams of a certified type as per Chapter Six, Section XIV of the Regulation No. 5 on Telegraph Communications (DV, No. 88, 1980).

Article 84.1. Coded facsimile communications may be sent from or to:

1. Chairmen or deputy chairmen of the State Council, the Council of Ministers, and the National Assembly;

2. Members of the Politburo and secretaries of the Central Committee of the Bulgarian Communist Party;

3. Ministers and chairmen of committees of the Council of Ministers;

4. The president of the supreme court and the prosecutor general of the Bulgarian People's Republic.

5. Secretaries of oblast BCP committees and chairmen of oblast people's councils;

6. Foreign diplomatic and consular missions in the Bulgarian People's Republic.

84.2. The minister of internal affairs or authorized individuals may allow some offices, companies or organizations to send coded facsimile communications.

84.3. In exceptional circumstances, the Council of Ministers may prohibit the use of a coded language for facsimile communications.

Article 85.1. Communications through facsimile sets for public use may be regular, fast, and instantaneous, based on the time for transmitting and receiving.

85.2. The Communications Association will determine the duration of the transmission and reception time as per paragraph 1.

Article 86. Facsimile communications are delivered to the recipients as follows:

1. To the indicated address against the signature of the receiver and, in his absence, a person of legal age living with the recipient. In the absence of such an individual a notice will be left at the door of the residence that a communication has been received by the postal, telegraph, and telephone station;

2. In post office boxes;

3. On demand (at the booth in the postal, telegraph, and telephone station) against presentation of identification and a signature of the recipient or the authorized person.

Article 87.1. Should within a 30-day period the recipient fail to appear to receive his facsimile communication in the cases stipulated in point 1, second sentence, and point 3 of Article 86, the communication will be returned to the sender in the form of a registered letter for a fee as per point 1.12 of the Rates of Internal Postal, Telegraph, Telephone, and Radio Services. Undelivered facsimile communications will be destroyed as per Article 20 of the Law on Communications.

87.2. Facsimile communications addressed to offices, companies, and other organizations or to their personnel will be delivered to their offices to stipulated officials.

Article 88. Facsimile sets may be moved, renamed or disconnected in accordance with the procedure stipulated in Article 41.

Article 89.1. The Communications Association will guarantee the secrecy of facsimile communications.

89.2. Information on issued receipts for facsimile communications as per Article 82, paragraph 5, will be provided to the following:

1. Sender and receiver;

2. Court authorities and the prosecution on the basis of written request.

Chapter Five

Fees

Article 90.1. Fees will be paid for services provided as per the present regulation, based on the Rates of Internal Postal, Telegraph, Telephone, and Radio Services. The fees will be collected before the service, with the exception of charges for telephone calls.

90.2. If the fees as per paragraph 1 are not paid within the proper time, additional fees will be charged as per point IV.30a of the Rates of Internal Postal, Telegraph, Telephone, and Radio Services.

Article 91.1. Charges based on recorded chargeable units will be collected for calls with direct dialing.

91.2. One charge unit will be charged per local telephone call.

91.3. Fees based on the duration of the call and the distance to the dialed telephone number will be charged for long-distance or international telephone calls.

Article 92.1. Offices, companies, and other organizations will make and maintain a deposit equaling the quarterly cost of telephone calls.

92.2. The deposit will be refunded to the former subscriber if the telephone is disconnected and the fees owed have been paid.

Article 93. Filing a claim on the fees owed does not relieve the subscriber from their prompt payment.

Chapter Six

Proving Violations and Issuing Penal Resolutions

Article 94. Violations of the Law on Communications and of the present regulation are established on the basis of reports drawn up by officials appointed by the chairman of the Communications Association as per Chapter Three, Section II of the Law on Administrative Violations and Penalties.

Article 95. On the basis of the reports drawn up as per Article 62 of the Law on Communications, the chairman of the Communications Association or the officials he has authorized will issue penal resolutions on the levying of fines and payment of damages not to exceed 100 leva as per Article 45, paragraph 1, of the Law on Administrative Violations and Penalties.

Article 96. Penal resolutions may be appealed to the respective rayon court within 7 days after being served. Penal resolutions requiring a fine not to exceed 20 leva inclusive or requiring compensations for damages done not to exceed the same amount may not be appealed as per Article 59, paragraph 3, of the Law on Administrative Violations and Penalties.

Article 97.1. Cutting off or damaging communications lines and equipment by citizens, offices, companies, and other organizations must be established on the basis of reports drawn up by the personnel of the Communications Association against the perpetrator. If such cut offs or damages have been caused by the personnel of offices, companies or organizations and the specific perpetrator remains anonymous, the report is drawn up naming the respective manager.

97.2. Estimates on the amount of the damages are drawn up as per the report stipulated in paragraph 1, including expenditures for repairing the damage and compensation for lost communications traffic. The damages are collected on the basis of general execution procedures.

97.3. A transcript of the report is sent to the rayon prosecutor's office for eventually filing a penal indictment against the culprit.

Final Stipulations

1. The present regulation does not apply to the building, use, and control of telephone communications of the Ministry of National Defense and the Ministry of Internal Affairs, used for their special needs.

2. This regulation is issued on the basis of Article 3 of the Law on Communications and invalidates Regulation No 3 on Telephone Communications (published in DV No 76, 1979; amended and supplemented, No 88 of 1981, No 50 of 1983, and No 35 of 1985).

Chairman: A. Popov

Rehabilitation Rules Explained

22000109b Sofia RABOTNICHESKO DELO in Bulgarian 15 Jul 89 p 2

[Interpretation by Todorka Malincheva, Bulgarian People's Republic Supreme Court justice: "Rehabilitation"]

[Text] Under what circumstances does rehabilitation by right or through the courts take place? Does rehabilitation delete a sentence and eliminate its future consequences?

These questions asked by our readers in a number of letters to the editors are answered by Todorka Malincheva, supreme court justice of the Bulgarian People's Republic:

Rehabilitation is an institution which is particularly typical of socialist penal law. It is stipulated that the commission of a crime leads to a punishment. However, after the sentence has been served the punishment cannot wipe out the sentence, and the consequences related by the law to the sentencing itself cannot be deleted. It is accepted that after the punishment has been served it has helped the person to mend his ways and be reeducated and that the person has the right to resume his sociolegal status as a citizen of the socialist society with a clean record.

The Penal Code stipulates two ways of rehabilitation under certain conditions, as indicated in Articles 86 and 87: rehabilitation by right and rehabilitation by an act of the court.

The rehabilitation by right applies to individuals under the following conditions: people put on probation, providing that within the probationary they have not committed another crime, which makes it necessary for them to serve their penalty; people sentenced to deprivation of freedom for no more than 3 years, to corrective labor or to mandatory resettlement, if in the course of 3 years prior to the completion of the term or the reduced term because of work or amnesty they have not committed any other crime punishable with deprivation of freedom, or a more severe sentence; people who have been sentenced jointly or separately to pay a fine, to social reprimand or deprivation of rights if, for 1 year following the serving of the penalty no other crime of a general nature has been committed; if the sentenced individuals are minors, if for 2 years after serving the penalty they have not committed any other crime of a general nature for which the penalty has been deprivation of freedom.

In all of these four cases there is yet another stipulation as per Article 86, paragraph 2 of the Penal Code: Rehabilitation by right does not take place if a crime has been committed after an individual has been rehabilitated once.

Rehabilitation by right does not require any court action: it is merely noted if the stipulations we already indicated are present.

Rehabilitation by an act of court is possible in all other cases other than those stipulated in Article 86 of the Penal Code, if the prerequisites stipulated in Article 87 of the Penal Code are present and after 3 years have elapsed since the term was served or the sentence was reduced or else amnesty was granted. Within that time the sentenced individual must not have committed another crime punishable with deprivation of freedom or a more severe penalty; his behavior has been good after the sentencing; the case of a premeditated crime, if the individual has made good the damage he has caused, although the court may rehabilitate the culprit even without that if legitimate reasons to this effect exist; if along with the punishment of deprivation of freedom or corrective labor, the individual has also been sentenced to deprivation of rights as per Article 37, points 6-8 of the Penal Code or mandatory resettlement, in order for rehabilitation to occur the term of this penalty must have elapsed. If a fine has been imposed, it must have been paid.

Articles 450-453 of the Penal Procedure Code stipulate the procedure for rehabilitation by an act of the court.

The proceedings are initiated with a written petition by the sentenced individual, addressed to the court which has passed the sentence, in the first instance. If several sentences have been imposed on the individual by different courts the competent court is the one which has

imposed the most severe penalty; if identical penalties have been imposed, the court which has passed the last sentence.

If the petition for rehabilitation is rejected, a new petition may be submitted not earlier than 1 year from the last decision.

Rehabilitation wipes off the sentence and annuls any future consequences which the laws relate to the sentencing, unless the opposite has been stipulated by some law or Ukase. Such restrictions are stipulated in Article 1 of the Ukase on the State Council (DV, No 49/74), which prevents the holding of accountability, material-responsible, and other positions by individuals sentenced to deprivation of freedom and for some specifically indicated crimes in this Ukase. Another exception to the actions of rehabilitation is the one stipulated in Article 36 of the Penal Code, according to which rehabilitation does not exclude dangerous recidivism within the 5 years from serving the sentence.

Such is the institution of rehabilitation in accordance with our present legislation. In my view, it is unnecessarily complex, and in the future legal ways of reform should be sought to improve it.

Party Daily Responds to Readers' Questions About World Events

Changes in Hungary, Poland

22000107 Sofia RABOINICHESKO DELO in Bulgarian 14 Jul 89 p 4

[Editorial reply to a reader's question: "A Permanent Part of the Community"]

[Text] *Nikola Stanchev: "How will the substantive changes taking place recently in Poland and Hungary affect the role and place of these two countries in the socialist community?"*

In spite of all the complexity in the political processes and the dynamics of their development in these two countries, the answer remains clear: Hungary and Poland are a permanent part of the socialist community. Changes in both countries are representative of the policy accepted by a number of socialist countries for restructuring and eliminating centralized administrative methods in the governing of society.

The rapid changes in these two socialist countries in the center of Europe, with population of about 48 million, naturally have attracted the world's attention. According to some of the main commentaries and analyses, mostly in the West, Poland and Hungary were as if about to leave the Council for Mutual Economic Assistance and the Warsaw Pact Organization in the near or more distant future. In official statements, the leaders of both nations have denied such affirmations more than once. The resolution of the July Plenum of the MS/MP [Hungarian Socialist Workers Party] Central Committee

clearly states that the party is "true to Marxist values... and socialist ideals," that Hungary "will act as a member of the Warsaw Pact Organization under the present international conditions."

Things in Poland are parallel. There now they never fail to note that even the opposition leaders, that is, Solidarity, support continuation by the Polish State of all allied responsibilities, which has also been a fundamental goal of the PZPR [Polish United Workers Party] policy during the last decades.

How do the other Warsaw Pact Organization nations see the changes in these two countries?

In the declaration accepted in a recent PKK conference and signed by the leaders of participating countries, the right to free choice toward social and political development in each of the Warsaw Pact nations was affirmed. In a published communication regarding the conference it was noted "that the countries accept the fact that no universal socialist models exist, and that no one has a monopoly on the truth." With this, the emphasis is on the building of a new society according to each individual country's conditions and traditions.

Tiananmen Square

22000107 Sofia RABOINICHESKO DELO in Bulgarian 14 Jul 1989 p 4

[Editorial reply to a reader's question: "What Happened in Peking"]

[Text] *Vladimir Tyutyunov: "Last month some dramatic events took place in the Chinese capital city which led to changes in the leadership of the KKP [Chinese Communist Party]. What exactly happened in the Chinese Tiananmen Square?"*

These questions are asked now even in China, especially since a number of foreign mass communications media came out with their own versions of the Tiananmen events which are completely different from the official Chinese assessment. A detailed picture of the events, clearing up a number of questions, was published in the last issue of the Chinese BEIJING REVIEW magazine.

On June 3 and 4, after prolonged unrest, a counterrevolutionary revolt erupted in Peking, according to the BEIJING REVIEW. The unrest, however, had been organized much earlier. As early as the end of last year and the beginning of this year some individuals from the universities and some outside them had been preparing illegally to provoke disorder during the 70th anniversary of the 4 May Movement, the 40th anniversary of the formation of the KNR [People's Republic of China], and 200th anniversary of the French Revolution. This group's goal was to bring down the communist party leadership and eliminate the socialist system. "Marxism is equal to Utopia" was written on one of the posters at Peking University. Calls for the resignation of Deng Xiaoping and Li Pun were made in April and May.

Various political forces within and outside the country participated in inciting feelings among the students, notes the BEIJING REVIEW. This way, for example, Hu Pin, Chen Chzhun [names transliterated], and other members of the "Chinese Democratic Union" editorial organization sent "an open letter to the Chinese students" from New York containing specific advice for action.

The magazine points out that in May the number of participants in the demonstration gradually increased from tens to hundreds of thousands to over one million people. Local law enforcement organizations and the police felt that they could not deal with the difficult task of maintaining order in Peking. "The situation got more serious," the BEIJING REVIEW states. "Some of the collective work groups in some enterprises were persuaded to ask the managers to give up the administration to them. In some of the ministries, groups of employees demanded the resignation of ministers."

With the introduction of martial law on 20 May the situation begins to calm down, notes the magazine. A handful of instigators, however, did not stop even at second attempts to create pressure. Their objective was to overthrow the government through continuation of the Tiananmen demonstrations and constant provocation of disorder. They specifically threatened to put party and state leaders under "house arrest" and to "storm the Bastille" to get political power.

On the evening of 2 June, a jeep borrowed from the military by Central Chinese Television, got into an accident in which three died and one person was injured. The occasion was used immediately to blame the misfortune on the introduction of martial law. On the morning of 3 June, troops maintaining martial law were attacked by demonstrators. Some of the soldiers were beaten and blinded. In the afternoon, the rioters managed to take over one military vehicle, loaded with weapons and ammunition. To get the vehicle back, on which the weapons represented a serious hazard for the people, the soldiers found it necessary to use tear gas, notes the magazine. The situation got worse by the hour. Representatives of illegal organizations such as the Peking Autonomous Student Federation and the Peking Autonomous Workers Federation called for the demonstrators to beat soldiers to death.

At this critical moment the forces maintaining martial law were ordered to go through the capital city and suppress the riot. The restraint shown by them allowed the rioters to destroy and burn more than 450 vehicles, including 180 military trucks, 40 weapons vehicles, to steal weapons, to kill about 100 and wound several thousand soldiers and law enforcement officials. In spite of the fact that the soldiers did not want to use force, they were compelled to counter attack at which time some of the rioters were killed. Some died under the wheels of vehicles, others were dragged by the crowd, and still others were hit by ricocheting bullets. The total number of wounded demonstrators was over 1,000, and over 100 were killed, noted the BEIJING REVIEW.

Campaigns to explain these dramatic events are presently being conducted under the party's leadership.

Soviet Relations With Israel

22000107 Sofia RABOTNICHESKO DELO in Bulgarian 14 Jul 1989 p 4

[Editorial reply to a reader's question. "The Policy of Tel Aviv"]

[Text] *Dimitur Hubchev: "What is the present situation and future outlook regarding USSR-Israeli relations?"*

Diplomatic relations between the USSR and Israel were established with the founding of the Jewish state in May 1948. But as a sign of protest against Israeli aggression toward neighboring Arab countries in 1967, Moscow discontinued diplomatic relations with Israel and closed its embassy in Tel Aviv.

During the last few years there were notable changes in many aspects of the relations between the two countries. In addition to cultural and sport contacts there were meetings on various diplomatic levels.

Since the summer of 1987, a Soviet consular group has been working in the Finnish embassy in Tel Aviv to represent the interests of its country. Since last year, there has been a similar group from the Ministry of Foreign Affairs of Israel in Moscow. But the activities of these groups, as emphasized by various Soviet sources, does not mean that the two countries have resumed in some way their diplomatic relations. Their main purpose is to solve economic problems, or those related to travelers between the two countries, as well as deal with current issues. The two groups, for example, collaborated successfully to eliminate terrorist activities against a Soviet passenger airplane in December of last year. At that time the airplane with the criminals on board landed in Tel Aviv, where they were arrested and handed over to Soviet officials. According to the Minister of foreign affairs of the USSR, Eduard Shevardnadze, the state of Israel demonstrated good will at that time and had decidedly intercepted the activities of the terrorist group.

An event of foremost importance was the meeting between the USSR and Israeli foreign ministers in Cairo in February of this year which was part of the Middle East tour of the leader of Soviet diplomacy. The talks between Eduard Shevardnadze and his Israeli colleague, Moshe Arens were described as sincere and open. During these talks, the differences between the two countries on the fundamental barrier for reestablishment of bilateral relations, the Near East conflict, also emerged.

Some Consequences of Recent Turkish Exodus

22000106 Sofia OTECHESTVEN FRONT in Bulgarian 4 Jul 89 p 2

[Article by Ivan Vladimirov: "The Manpower Shortage: Another Point of View"]

[Text] At the present time, when many vacancies exist, it is possible for each territory to conduct manpower and

resource evaluation of its production units in order to discontinue activities which are economically, socially, and ecologically unsuitable for the Obshtina's future plan for socioeconomic development.

The manpower resources difficulties created recently in some of the country's rayons are well known. Many enterprises lost more than half of their production manpower. The threat was most acute in farming because we are now in the season of intensive fodder and wheat harvesting. In practice, the fate of livestock for next year to a great extent, is determined now. The problem with tobacco picking has become acute.

The government's reaction is also well known. By act of the Council of Ministers, administrative and economic prerequisites were established to redirect a certain part of manpower toward affected production. Undoubtedly, this is a natural reaction and it is unnecessary to question whether it is advisable. This is the way it is done all over the world: the government helps with basic production when it is necessary even in corporations such as General Motors, for example. In similar cases it is not a question of maintaining efficiency but of bringing unavoidable losses to the lowest possible minimum.

This is essentially the reason for the Act by the Council of Ministers, and that, which has already been accomplished by central, oblast, and obshtina organs, as well as by municipalities, is impressive and deserves respect.

The problem, however, is different, and it is seen and understood by everyone. Regardless of what effect urgent measures may have, the results can only be temporary and superficial from the point of view of the real needs of the affected parts of the economy. It would be unrealistic to expect that a normal economic situation will be reproduced using administrative staff, unemployed young people out of school, retirees, and workers from other parts of the country, which will guarantee lasting stabilization of the production rate.

The question is how, in view of our conditions of chronic manpower shortage for the entire economy and under the current unfavorable situation, we can solve the problem in such a way as to transform the misfortune into a favorable condition.

Without being overly optimistic, I feel that the current difficulties can be turned to an advantage. It is sufficient to implement the Manual for Economic Activities with all of its economic revolutionary spirit.

What do I have in mind?

Above all, that it is entirely possible for every obshtina to conduct an objective evaluation of the manpower and resource situation of each regional production unit to determine its economic, social, and ecologic suitability for the future plan for socioeconomic development of the obshtina and oblast. Such plans already exist and they can now be updated precisely on the basis of more direct consideration of regional and economic interests and full

separation between centralized regional and direct economic management. As a result there must be drastic elimination of production which does not correspond to the above mentioned interests. This could also pertain to productions which are not affected by current events, but are not especially promising from a socioeconomic point of view. I feel that the only ones to be left in the region must be the ones that are viable, competitive, and ecologically clean. Priority must be given to farming, consumer goods manufacturing, activities related to international labor divisions and contracts with other countries, and these which the obshtini have by special traditions. At the present time, there is an advantage to eliminate "weak" productions because they are free from the social problems burden since we are dealing with production units with reduced number of employees, or manpower which is fairly easy to redirect from one type of production to another within the framework of each obshtina. In other words, the goal is to use the present opportunity to the fullest for the formation of a viable and promising "small" economy within each obshtina, which in the future will have a liberating effect instead of creating some well known problems.

In the second place, there must be a total transition toward direct property management through contracting, contracting-leasing, and leasing. There is no reason for small and medium size enterprises not to use leasing also. It is simply unexplainable why we limit ourselves and use leasing only in farming, sales, and services. Even in large enterprises, leasing and contracting can be used fully in structures and production with an obviously independent technological cycle. This will correspond to the Ukase for Economic Activities and will lead to the formation of independent small companies leasing state property, in many cases according to the daughter principle. This will also apply to the current situation because previous experience shows that wherever contracting and leasing come in, the number of workers is reduced immediately, in spite of the fact that until that time everyone was considered absolutely necessary.

The contracting-leasing principle on the basis of Ukase 922 of the State Council must be implemented in farming immediately. The affected obshtini must become the pioneers in accelerated restructuring of farming in the spirit of the current economic situation. In this respect it would be useful if people with theoretical training are sent to put to practice concepts they have learned.

Without going any further, I feel that a similar approach is a serious, promising, and appropriate one for the current situation. I repeat, to a certain degree the current situation facilitates the goals of the economy's revolutionary restructuring in the affected rayons. After a good manpower and resource evaluation of regional economic units and sensible consideration of the obshtina's true future interests it is not inconceivable to see precisely the presently "difficult" sections of the economy become "easy" after a few years, and to leave behind many

others which at this time do not have similar problems. For this reason, however, it is necessary to start intense work immediately, so that by the end of the year the corresponding analyses and evaluations are ready for practical implementation. The typical Bulgarian is neither lazy nor conservative. If pointed in a direction appropriate for his interests and national mentality, he is capable of miracles. The confidence that the above mentioned difficulties can be overcome successfully must be based on this.

Role of TsINTI Data Base at Home, in CEMA Criticized

22000088 Sofia IKONOMICESKI ZHIVOT in Bulgarian 7 Jun 89 p 6

[Article by Aleksandur Angelov: "Knee-Deep in the Information Deluge"; first paragraph is IKONOMICESKI ZHIVOT introduction]

[Text] Obstacles in the Way of World-Class Skills in our Country. New Information Technologies and Old Organizational Problems at TsINTI [Central Institute for Scientific and Technical Information]. Information Know-How Part of Business-Firm Know-How.

It is not a new truth that today intellectual resources are of greater significance for economic growth than raw materials and energy. And modern information technologies are the most efficient means of disseminating them. To these, the futurologists are not alone in asserting, where the future belongs. Long before it begins, the coming 21st century has received the universally accepted name of an "information century," in which barriers of all kinds to worldwide knowledge will fall. But here and now, when practical restructuring is under way in the national economy, the best experience that mankind has amassed takes on a much more concrete and necessary character for us.

Why then not first take a look at the experience quite readily accessible to us, at the "gray matter" collected from all over the world, at the Central Institute for Scientific and Technical Information (TsINTI)? I don't know who first coined the phrase "information bank," but it fits TsINTI exactly. With this difference—the treasures of this knowledge are freely open to everybody.

New! New!

There is hardly any other, apter word for the institute's work. New information, new technologies for its dissemination. Such as, for example, the computer teleconference, an element of the International SAOI [Sistema za avtomatiziran obmen na informatsiya—System for Automated Information Exchange] among CEMA-member countries. How many people know that it could replace the business trip abroad? There you are, sitting down in front of the terminal, your conferee in front of another, but hundreds or thousands of kilometers away and ... you get your business done. The program in

dialogue mode makes it possible to coordinate documents, exchange blueprints and charts—in color, what's more, and in general carry on a full-scope business conversation.

There is another element of the international system in experimental use—the electronic post, and it is anticipated that its possibilities will be increased as well by other activities, strange to the unaccustomed ear. But information cannot be force-fed. That is why the lack of customers for both services, introduced a year ago, is not a bit disconcerting. It is indeed far more impressive to go in person. However, there is another version of the answer; the services are not sufficiently popular. There has been no advertising whatsoever. Perhaps because they are free of charge since no charges have been approved.

The sole customers at present are the specialists from the National Industrial-Microorganism and Cell-Culture Bank. And they were referred to this method of correspondence on recommendation of their Soviet colleagues from the All-Union Microorganism College in the USSR Academy of Sciences.

The specialists believe that by avoidance of duplication in searches through the automated information-exchange system one-tenth of the time required for solving scientific research problems can be saved and the time period for their adoption in the national economy appreciably shortened. The facts are impressive. But SAOI is only one of the modern technologies that can be used in our country via TsINTI. Every month magnetic tapes with the latest scientific and technical reports from the USSR, the United States and England arrive at the institute. Annually the bibliographic notices and abstracts in this area exceed one million. Thus subscribers learn about recent articles worldwide in the field of interest to them. In addition, in the dialogue mode they can "search" the computer's entire memory. More than 300 foreign data banks in the USSR, Czechoslovakia, the GDR, the United States, the FRG, England, France, Switzerland, etc., are used.

A Few Opinions on the Same Subject

The enumeration can of course be extended, but let us take a look from a different—the professional—aspect, with the eyes of specialists. The economic director of TsINTI, Engr Yanko Yanchev, is uneasy over the fact that there is no problem now in securing information from the other side of the globe, but by no means is it possible to summarize what is new in our country and where it is being worked on. Under development in the country are the communications networks Bulpak and OMIR [Obedinena mreza ot izchislitelni resursi; Unified Computer Resources Network], which are supposed to enable every customer to utilize TsINTI resources directly through his own terminal. (The use of a future indefinite tense is excellent.) But for the present the quality of communications and, even more so, the quantity of equipment is very far from what is needed.

Therefore, the customer must still come here unless he wants his request to be delayed for a long, long time.

"From a purely economic point of view," Engineer Yanchev argues, "the institute's rate of return is about 25 percent, and this is in line with trends worldwide. In our branch, direct accounting is not the main thing. A fundamental problem is the budget organizations' long-since obsolete normative base. We have made various suggestions regarding an economic tie-in with final results and about creating incentives for more efficient resource use, with no results however. Everything is left up to the budget—revenues, likewise economies, likewise expenditures. If you have reached the top of the table of organization, *finis!* There's nowhere to grow. Perhaps this is the main reason why every year 100 people (out of a total of 600) leave the institute, no small portion of them specialists with very high qualifications."

Engr Yordan Khlebarov, director of a section, is ambitious to implement a timely idea this year, namely, an automated workplace for the information worker. Almost everything is ready for the realization of his concept: individual modules for communication between the large and the personal computer, his own minidatabase and various programs. What is lacking is no less important—money. Complete financial dependence "on higher-ups,"—that, according to Engineer Khlebarov, is the reason for the accumulating problems; that is what steals the scientific worker's time and turns him into an administrator.

"Our equipment is old and depreciated," he asserts. "Most of it dates from 10 years ago; we are working on the borderline of risk, with no reserves. Our large computer has limited capabilities; therefore there is a specified use schedule. For example, if your time is Monday morning, but you need information a few hours later, you'll have to wait till next week."

And whereas shortcomings in the vicinity of the computer, however many there may be, remain hidden from nonspecialists, everything in the library hits you in the eye. At the entrance where the latest publications are displayed, the entire shelf is taken up with *BYULETIN ZA NOVOSTUPILI INFORMATSIONNI IZTOCH-NITSI* [Bulletin of Newly Received Information Sources]. What is fictitious is the first issues for last year, 1988, are the most recent thing in it. There is no paper, is the brief explanation, and there is nothing optimistic in prospect.

"This year we have one million foreign-exchange leva at our disposal. But they do not suffice for subscriptions because they are not only for us, but also for our units throughout the country, of which there are more than 300," the director of the Central Scientific and Technical Library Donka Tsoleva advises. "Every day we have several hundred readers, but we have only two terminals for searching the automated catalogue. Thus the catalogue is not fully used. Worldwide, there are many new

techniques in library science that are speedy, easy and convenient. However, we don't even dream of them. Why, we don't even have enough typewriters..."

The library contains vast resources—over 16 million books, journals, translations, scientific reports, business-firm and patent documentation. Last year readers used one-fourth of them. In terms of this basic statistic they claim here to be comparable with the best libraries in the world, even with the Library of Congress in Washington. But another not inconsiderable portion of readers remain only potential. Although they find in the catalogue the title they seek, they cannot manage to get it—in the direct sense of the word. Why became clear to me after Boris Peshev, chief specialist, conducted me through the stacks. "A warehouse rather than stacks," he made clear. Everywhere heaps of literature rested along the walls—next to shelves pressed close together, in the corridors, even on the stairs, in the air-conditioner room, and in some personnel rooms (here is where the veritable information deluge is!).

After what I had seen, there was no need to ask why about one-third of the entire collection was "frozen," "backed up," "locked in"—at the library they are still undecided what word to settle on. The worst of it is that entirely new publications wind up in this unused group.

Economic Accountability in Science

Or economic accountability against science? Financial independence or coercion and guardianship? These questions inevitably suggest themselves after everything said thus far. This is so even in a most cursory tracking of the further fate of scientific and technical information. In the national system for its dissemination, after TsINTI there come in the hierarchy the sectorial centers, scientific research institutes, production enterprises, organizations, etc. Recently, however, a dangerous trend has appeared. Pressurized by directives or by mistaken ambitions for independence, and in a hurry to shake off the burden of a nonproductive unit, in many places they do not visit the information departments either. Results? There is a drop in the relative number of workers in this field—a statistic in respect of which we certainly lag far behind those with whom we are ambitious to be comparable. There is a drop in the already inadequate volume of up-to-date information, and ultimately old homebred criteria will triumph.

Where Is the Way Out?

The hopeful answer lies in the restructuring of the economy that has been initiated on the basis of business-firm organization. Under the new conditions every producer, sooner or later, will be compelled to adapt to market requirements and to become proficient in the subtleties of competitive rivalry. But business and marketing research without information about economic conditions and recent innovations in science and technology won't work. Information is a necessary and

effective resource. Information know-how is an inseparable part of business-firm know-how. This has been proved in practice the world over.

The modern manager makes use of readymade solutions of proved effect rather than taking a long path of his own to reach the same solutions.

CZECHOSLOVAKIA

Invasion Armies Allegedly Invited by Bilak

23000207 Frankfurt FRANKFURTER ALLGEMEINE in German 4 Aug 89 p 3

[Article by Ota Filip: "Fraternal Help From Budapest"]

[Text] On 21 August 1968, five armies of the Warsaw Pact occupied Czechoslovakia in the struggle against the so-called counterrevolution. This meant the end of the "Prague Spring." To this day, the question as to "Who had asked the Soviet Army and the other armies of the Warsaw Pact for 'fraternal help' in August 1968?" was not allowed to be asked. And whoever dared to seek the answer to this question found themselves in jail. Some 21 years later, Czechs and Slovaks are getting the answer from Hungary, a country whose Armed Forces brought the "Prague Spring" to an end with force, together with four other socialist armies. But an entire world lies between the Hungarians of 1968 and the Hungarians of 1989.

The answer to this forbidden question was provided to its more than 2 million listeners in Czechoslovakia by the Munich-based American broadcaster "Radio Free Europe." From the final series in the conversation between the recently deceased Hungarian party chief, Janos Kadar, and the Hungarian weekly MAGYARORSZAG, editor Agnes Kalinova translated some details which are sensational for Czechs and Slovaks but which have, hitherto, been kept strictly secret in Prague: on 3 August 1968, Central Committee member Vasil Bilak handed his written invitation to intervene militarily against Czechoslovakia to the Soviet delegation which, at that time, was negotiating with Dubcek and the other Prague reformers in Bratislava. In his letter to Brezhnev, Bilak also requested, without the knowledge of Dubcek and behind the backs of the entire Central Committee, military assistance against the Prague reformers, should this become necessary. Bilak asked Brezhnev to answer him by 19 August, because on 20 August he planned to overthrow Dubcek's Central Committee, publish an appeal to the population, and to only then ask the Soviets and the Warsaw Pact officially for armed assistance, with the approval of a new Central Committee.

The editors of the Hungarian weekly MAGYARORSZAG added some information to these hitherto unpublished facts taken from the conversation with Janos Kadar: Bilak was not able to adhere to his timetable for taking over power, which he had presented to

Brezhnev at Bratislava as early as 3 August 1968. During the night of 20 August, as the five armies of the Warsaw Pact had already marched into Czechoslovakia with 600,000 troops, Bilak was unable to either topple Dubcek's Central Committee or to bring the mass media under his control. His appeal to the population was signed only by 18 signatories which were more second- or third-ranking members of the Central Committee. Bilak's coup had failed, however, the occupation of Czechoslovakia proceeded virtually without major incidence—at least seen from the military standpoint.

Bilak, who had wanted to become general secretary of the party at all costs, had to be content, after 1968, with the role of the grand inquisitor and suppressor of the intellectual opposition. For almost 21 years, the old-line Stalinist has denied his initiative which led to the occupation of Czechoslovakia. Now, the Hungarians have rendered the Czechs and Slovaks some fraternal assistance once more, this time their assistance was welcome, and have uncovered the role played by old-line Stalinist Bilak in August 1968.

In a telephone conversation with "Radio Free Europe" in Munich, the editors of MAGYARORSZAG confirmed that "we have part of the information regarding Bilak's initiative which led to the occupation of Czechoslovakia in 1968 from the Janos Kadar conversation; a part comes from sources which we are unwilling to reveal for the present. In any event, we are glad that we helped the Czechs and Slovaks to learn new facts regarding August 1968 and regarding the role played at that time by Vasil Bilak."

Newly Appointed Bishops Introduced

23000206 Frankfurt FRANKFURTER ALLGEMEINE in German 28 Jul 89 p 4

[Unattributed article: "Four New Bishops in Czechoslovakia"]

[Text] With the appointment of two Czech and two Slovak bishops, the pope has augmented the thoroughly fragmented episcopate in Czechoslovakia. Now, 5 of the 13 bishoprics have a new diocesan bishop; one has an apostolic administrator and titular bishop at its head, one is led by an unconsecrated provisional leader appointed by the pope. Six bishoprics are administered by chapter vicars, whose appointments the pope could not influence.

The new appointments were preceded by years of difficult negotiations during which the Czechoslovak Government, represented primarily by the church state secretary Vladimir Janku, tenaciously attempted to prosecute the appointment of regime-friendly and regime-dependent priests to the ranks of bishops. This

move failed as a result of the firm determination on the part of the pope to provide Czech and Slovak Catholics only with bishops whose loyalty to the church was beyond any doubt. In the final analysis, the Prague government gave up its goal. However, it limited the number of new appointments to four. Rome had to concede that eight dioceses in Czechoslovakia were without a diocesan bishop and six remained without a prelate appointed by the pope.

The new bishop of Litomerice in North Bohemia, Josef Koukl, is 62 years old. He is a native of Brno. In 1950, he was consecrated as a priest. As a result of the "numerus clausus" imposed by the communist government, he had to carry out his churchly duties outside of his home diocese; as chaplain in the Archbishopric of Prague. He then became a spiritual adviser at the Roman Catholic Seminary in Litomerice, the only one for the bishoprics of Bohemia and Moravia, and in 1970 he became a professor of moral theology at the seminary. In addition, Koukl attempted to be active as a clergyman, with special emphasis on caring for young people. But the state only permitted him to substitute for a priest now and again. He stayed away from the "Pacem in Terris" organization of regime priests.

At the Archbishopric of Olomouc in Moravia, Frantisek Vanak has become apostolic administrator and titular bishop. He is 73 years old and a native of Vojtechov in Moravia; in 1941, he was consecrated as a priest, became a chaplain, and served for decades since 1951 as a priest in the Moravian village of Rimarov. This meant that, because he was mistrusted by the state authorities, he had been banished to this location. Because of his excellent knowledge of church law, he was appointed chairman of the Ecclesiastic Court in Olomouc. The

clergy of the archdiocese trusted him, including those priests who were close to the "Pacem in Terris" organization, although Vanak never would have anything to do with this organization.

In the Slovak Diocese of Spis, the 53-year-old Frantisek Tondra has become diocesan bishop. He was a professor of moral theology at the Roman Catholic Seminary in Bratislava, the only one for the bishoprics of Slovakia. He only participated marginally in the activities of the "Pacem in Terris" organization. He gave up this contact immediately when the pope prohibited all priests to be members of political associations, including "Pacem in Terris," in his decree entitled "Quidam Episcopi" of 8 March 1982. Thereupon, Tondra was removed from his department and was dispatched to be a priest at Zazriva in the Region of Orva in the Spis Diocese. For several years thereafter he acted as priest in the well-known Slovak pilgrimage town of Levoca, which had previously been populated by Germans.

The fourth appointment deals with the Slovak Archbishopric of Trnava. Here, the apostolic administrator and titular bishop, Jan Sokol, has now become archbishop. This means a reestablishment of normal legal and hierarchical relationships at the head of the bishopric. Sokol, who is 56 years of age, is a reliable priest who is totally devoted to service to the church. He has always kept his distance from "Pacem in Terris."

The new bishop of Litomerice is to be consecrated on 27 August; the new apostolic administrator of Olomouc 1 day earlier. On both occasions, the Archbishop of Prague, Cardinal Tomasek, and the papal special emissary for eastern Europe, Archbishop Colasuonno, will officiate at the ceremonies.

INTRABLOC AFFAIRS

International Investment Bank Funds CEMA Enterprises

23000199 East Berlin *AUSSENWIRTSCHAFT* in German No 26, 28 Jun 89 p 1

[Text] For almost 2 decades now the International Investment Bank (IIB) has been the main backer of construction and the technical reequipping of enterprises in the CEMA countries by granting medium term loans (up to 5 years) and long-term loans (up to 15 years). By 1 January 1989, the total credit extended since the bank began operations in 1971 amounted to more than 5.5 billion transferable rubles. These loans benefited (and continue to benefit) 126 projects and met about 28 percent of the investment volume planned for the realization of these projects. Some 80 of them, primarily capacities for machine construction and electrical engineering/electronics, have come on line. In 1972-88, these enterprises exported merchandise worth M 42 billion transferable rubles to the CEMA countries. (In the period 1972-86, the exports of 74 IIB backed enterprises amounted to roughly 33 billion transferable rubles, 1972-85 those of 72 enterprises to 28 billion transferable rubles.)

In the past year, the IIB granted loans to the following (among others):

- The DKV Danube Oil Processing Plant in the Hungarian People's Republic for a reforming plant with an annual capacity of 0.6 million tons. It is to come onstream in 1991.
- The CSSR State Bank for the reconstruction of the production base for electric locomotives in the Skoda Works. Output will thereby increase by more than 30 percent.
- The Vnezhekonombank in the USSR for the purchase of materials, plant and construction equipment for the construction of the Krivoi-Rog Mining/Processing Combine.
- The International Interatominstrument Business Union for the expansion of the output and services base of its factory in the People's Republic of Poland.
- The Bulgaro-Soviet Factory for the Production of Knitwear in Kyrdsali (People's Republic of Bulgaria) for the purchase of machinery and plant.
- The State Bank of the Socialist Republic of Vietnam for the purchase of machinery and plant for a new knitwear factory in Nghe Tinh Province.

Lately special attention has focused on loans for projects with an output/production profile consonant with the main sectors of cooperation detailed in the Complex Program (adopted at the end of 1985) on scientific-technological advances in the CEMA countries through 2000. At the present time, the IIB is realizing 15 agreements in this connection, involving loans in the amount

of 373 million transferable rubles. They affect 11 projects/enterprises in 5 countries: The "Beroe" Combine for Robot Construction in Stara Zagora, the "ZMM" Machine Tool Factory in Asenovgrad, The "Industrial Microbiology" Business Union in Razgrad and the Bulgaro-Soviet "Avtoelektronika" plant in the People's Republic of Bulgaria, the Icarus enterprise in the Hungarian People's Republic, the "7 October" and "Fritz Heckert" Machine Tool Combines, and the "Ernst Thaelmann" Heavy Machine Construction Combine in the GDR, the Juragus Nuclear Power Plant and the production of computer keyboards in the Republic of Cuba, and the MERA-Blonic Works in the People's Republic of Poland.

The IIB is also devoting attention to various other methods of economic cooperation, such as joint ventures and international associations, and has initiated direct contacts with the latter in order to encourage their advance. The following are some of the IIB partners involved: The Bulgarian "Stomana" Machine Tool Factory in Silistra, a member of the "Ivanovo-ZMM" international science/production union, the Bulgaro-Soviet factory in Kyrdsali, mentioned earlier, the Soviet-Finnish "Est-Finn" factory in Tallinn (USSR and the Soviet-Yugoslav "Sovpolijuplas" factory in Moscow.

New banking opportunities are arising from the transformation of the national banking systems and the establishment of various types of merchant banks in some CEMA countries. The IIB has already begun cooperating with several new banks in the People's Republic of Bulgaria, the Hungarian People's Republic and the USSR. Contacts with Yugoslav banks have become more intensive, and initial contacts were established with Chinese banks—for example, the Chinese People's Bank and the Bank of China.

(Compiled from information issued by the CEMA Secretariat)

BULGARIA

Economic Environment Changed by Ukase 56

22000086 Sofia *IKONOMICHESKI ZHIVOT* in Bulgarian 14 Jun 89 pp 1, 12

[Article by Professor Chudomir Goleminov, J.D.: "State Regulation of Economic Activities. A Legal Opinion"]

[Text] The problem with state regulation can be seen from various aspects. The regulation decreed in Article 84 of Ukase 56 has a leading importance. According to it, the state can regulate economic activities through: the tax system, tariffs and subsidies, foreign exchange regulations, interest rates, price determination, rules for work remuneration, amortization norms, and state purchase orders. This regulation reinforces the principle that even under the new conditions the state retains the

ability to regulate economic activities in a determined manner, and to act accordingly in the operation of companies as an independent participant in the property, social, and organizational aspects of these activities.

Economic and Organizational Function of the Socialist State

Some feel that after the organization of companies it follows to overcome any and all interference of the state in the field of economics, and that companies should get practically unlimited freedom to act according to the laws of value and market mechanisms. This understanding is unrealistic, especially now during the transition period related to the formation and establishment of company organization. The interests of companies must be coordinated with society's interests and this is achieved mainly through state regulation of economic activities.

The problem now is not whether or not there should be state regulation of these activities, which has been decided with Ukase 56, but to what degree should it occur. This measure should be directed decisively toward broad development of economic forms and methods in carrying out economic activities; toward broad implementation of the principles of economic self-regulation. From this point of view, I think, that the line adopted in the new regulation is generally correct. The tendency to restrict the field of state regulation of economic activities, place it within reasonable limits and this way create realistic prerequisites for economic self-management of the companies so necessary for the successful development of the economy, is characteristic of the regulation.

In connection with this, the legislature has acted properly by pointing out the principle ways to apply state regulation. The emphasis is, above all, on methods of economic nature, as for example, the tax system, tariffs and subsidies, foreign exchange norms, and so on.

The state regulation methods specified in Article 82 Ukase 56 are not comprehensive, they are examples. The ukase allows for other means. For this reason, a number of powers have been given to the Council of Ministers as a supreme executive and administrative organ of the state, essentially through which it acts on economic activities. This way, for example, the Council of Ministers has the power to transfer state property from one state company to another with or without compensation. It can determine import and export conditions and quotas, prohibit import or export of certain goods and services, establish a permission schedule for conducting foreign economic deals and activities specified by it, and impose export tariffs. According to conditions declared in advance, it can give companies funds from the national budget for awards and subsidies.

By the power of the Ukase and the Council of Ministers, as well as other appropriate state organs, they are required to establish conditions for the development of competition among companies as well as prevent

monopolistic activities and unfair competition in the domestic and international markets.

There are other legal possibilities related to some of these powers for state regulation which follow logically from those specifically enumerated in the regulation. This way (even though it is not specified in Article 82 of the Ukase) the regulation can be carried out according to rules set by appropriate state organs (in this case the Council of Ministers) to deal with contractual relationships of companies and other economic organizations. This possibility follows from the general power of the state to deal with economic activities (related to some constitutional regulations), as well as some specific powers provided by the Ukase regarding economic activities. For example, regarding Article 4, paragraph 1, the state must provide equal conditions for all companies to do their business. Such conditions are most necessary in organizing the companies' contractual relationships which are very important and are used in all economic activities. The implementation of the above mentioned conditions, however, assumes state regulation of the fundamental rules for these relationships.

On the other hand, state organs, as previously mentioned, are required to establish conditions to prevent monopolistic activities and unfair competition in the domestic and international markets. To fulfill this requirement, it is necessary to have state regulation of the rules regarding companies' contractual relationships.

What must the content of these rules be, is another matter. These rules must correspond entirely to the company's organizational requirements, that is, to the economic methods of organization and doing business. They must be free from elements associated with centralized administrative methods of economic management. All this assumes substantive and quality changes in the legal organization of contractual relationships, together with some sense of realism.

The concept that under the new conditions the ability of the state to regulate contractual relationships is retained (even though this is not stated specifically in Article 82 of the Ukase), is confirmed by Statute No 2 of this year by the Council of Ministers, in which there is no change of the regulation for economic agreements. Furthermore, according to government decision, the need for a new regulation on company organization in the economy was established.

On the other hand, the same statute states that companies, as well as organizations which have not reorganized themselves into companies, cannot refuse to sign contracts to manufacture goods or provide services which they normally provide, if the proposals are within the limits of their production capacity. One of the main sources for the required signing of contracts (under specific conditions) is regulated in this manner at this time. This requirement does not correspond to the need to broaden the companies' operational independence and it is possible that it will not be effective for a long time. At the present time, however,

during the transition period, when shortages and monopolism have not been overcome, and while formation of companies is still going on, our sense of realism shows that it is correct. There would have been some serious difficulties with some contracts, especially this year.

The rule from Article 82 on the Ukase does not differentiate between regulation methods and planning. I feel this is a substantial omission.

Planning Is One of the Main Methods for State Regulation of the Economy

The Ukase on Economic Activities includes this concept. It points out that the main goals, rates, and ratios are set, material, financial, and foreign exchange and other balances are established, social development tasks, micro-structural changes, overall development of regional communities, and the direction to be taken in our country's participation in international labor divisions and socialist integration are determined by state planning and budgeting. All this clearly describes the essence of planning as a powerful regulative method used by the socialist state to influence the economy.

The issue that under the new conditions some substantive changes are introduced (with good reason) in the system of planning itself, is different. At this time attention is focused mainly on strategic tasks and the use of economic methods and means in planning. This is also made obvious by such normative organizational requirements according to which appropriate state organs must coordinate with the interested company their participation in the fulfillment of the national plan on the basis of joint agreements and state purchase orders. These purchase orders are substantially different from bilateral plan tasks of the old planning system. They can be given only to fulfill international commitments, social policy, to accomplish strategic and technological market goals, as well as to guarantee national security and basic national balances. State purchase orders are given under contract which may be decided by competition. They cannot take up more than two thirds of the company's capacity.

The regulation by which the company develops its plan for economic activity independently on the basis of contracts, economic conditions, norms and regulators, state purchase orders, and its own market, technological and other research, has a paramount significance for the planning system under the new conditions. This is its field for economic initiative and economic independence.

New Companies Facing Shortages of Material Resources

22000084 Sofia IKONOMICHESKI ZIVOT in
Bulgarian 21 Jun 89 p 7

[Article by Mladen Yakimov: "Shortages: Causes and Ways to Restrict Them. An Opinion"]

[Text] Along with other important phenomena in our economy, it would be necessary to consider the appearance of shortages of various types of material resources,

especially since they are accompanied by an increase in reserves. For this reason one of the foremost and urgent problems which newly formed companies face, is how to eliminate most effectively the shortage of goods and materials. But before this let us see why shortages occur and what are the causes which initiate them?

Lately in literature as well as in practice, the term: "artificial shortage" is used more and more frequently. This is a result of the situation where goods worth millions of leva are stored in the warehouses of economic organizations and companies and after 1 or 2 years come close to the expiration date of their guarantees, get deformed and corroded, after which they become unfit for sale. In the case where there is a shortage of the goods taken out of circulation, this shortage is not a true shortage, but hidden or artificial. For this reason, as it is obvious on first glance, it is not so easy to eliminate it. This situation is a direct result of centralized administrative methods used in management under the conditions of overall limitation on material resources distribution. This system generated many negative phenomena, among which is the practice of the users to always request higher limits. On the other hand, because of the extensive inventory lists of raw and other materials for distribution, the central organs were not always able to control the supply efficiency to individual economic organizations.

In turn, the practice of required use of commercial middlemen was also subject to limitation. The greater size of goods production as compared to the size of reserves and credit deposits for them in a number of economic organizations and companies is due to inefficient supply. It was impossible to react to constant changes, however, because the system was bogged down with limits and a number of constraints. As a result, the tendency to secure greater reserves of hard to find goods by the users was actually greater than the confidence and reliability of material and equipment supply.

As a result of all this it was necessary to introduce certain priorities in the supply system. It, however, also had an unfavorable effect on the size of reserves and created a tendency to purchase in large quantities.

The time difference between formulating production plans and supplying materials and equipment according to them, did not permit the economic organizations to determine their true needs correctly, which as the stage for plan implementation was reached, led to a shortage of one type of resources and unnecessary accumulation of others.

The existing system of economic relationships also did not correspond completely to the buyers' present requirements for material resources. This often led to the unwillingness on the part of the producers to accept certain agreement conditions necessary to the buyers. Thus they led in practice to destabilization of established relationships, discipline violations during supplying, nonadherence to the Regulation for Economic Agreements, and so on.

Reflection on Supply Quality and Selectivity

The shortage of some types of material resources in a number of cases was blamed on their low quality. Shipments of low quality goods is initially accepted by the buyer as good, but afterwards he finds himself in the position where he has neither money, nor goods. On the whole, shortages of material resources have displaced the problem of quality to second place and producers as well as sales and supply organizations (PSO) often impose low quality goods on the consumer.

In the absence of economic competition and under conditions of high demand, the supplier alone determines how much of the consumers' need will be satisfied: to whom, how much, and when he will be shipping; to what level and under which program will he carry out the signed agreements. He is well aware that demand exceeds supply and his entire stock will be sold, regardless of whether supply agreements have been signed or not. In this situation the consumer is legally without rights and assumes the role of a beggar while the supplier retains his dictate.

This way agreements are not carried out according to consumer needs. To overcome the time difference between production and consumption he has to defend himself against unpredictable supplying by maintaining high reserve levels. In addition, it happens quite often that the consumer receives the necessary material resource when it is no longer needed, resulting in an accumulation of stale reserves. In turn, the lack of timely and accurate accounting leads to incorrect evaluations for the condition of economic activities and existing reserves.

Under conditions of inadequate balancing between demand and supply, reserves over and above the normal quantity are, as previously, a necessary condition so that economic organizations and companies can complete their production tasks. The conclusion is that the actual levers to prompt economic organizations and companies into maintaining reasonable size reserves are not yet fully operational. The necessary prerequisites to speed up working capital turnover in the national economy have not been developed. This is due to the fact that we are now in a period of reinforcing economic mechanisms.

Where and How To Find a Solution

Above all, the solution is found in rapid implementation of complete self-sufficiency and self-financing, and in establishing direct interest on the part of collective work groups. Development tendencies of some of the processes aimed at limiting shortages of material resources are as follows:

- decreasing and restricting limitations; transition toward unlimited resource supply;
- the accepted system of priority supply also must be restricted gradually until it can be avoided entirely;
- under the conditions of a complicated economic relationships system, the companies should choose their

partners and suppliers by themselves, as well as choose the type and method for establishing relationships according whatever is most beneficial to them:

- establishing conditions for economic contest (competition) among a number of companies for the production of certain types of resources absent on the market;
- price determination according to international prices and according to supply and demand in the domestic market and establishment of maximum (top) prices for material resources in high demand will help improve the balance between supply and demand;
- by regulating interrelationships between subdivisions and making even the lowest production element (the brigade) self-sufficient, the linking of interest with end results from effective resource utilization in the entire company will be accomplished.

Changes in specialized and regional structures, in turn, must become an important factor in reaching the necessary production level to satisfy the demand. At the same time, we must seek possibilities to shorten the production cycle, speed up unfinished production reserve turnover by using scientific-technical innovations, and by improving production organization. The issues on establishing production manpower reserve (by introducing two and three shift work schedule, by investing in flexible technology, and others) deserve special attention. The next step in increasing production is to continue the formation of small and medium enterprises which function according to the principles of company organization.

Shortages can become relative in cases where logical and full information on reserves spread out among numerous owners exists, when the system organization for redistribution and turnover of so-called surplus is adequately effective, and the accounting methods for these operations function well. Economic organizations and companies will help through redistribution not only to reduce their unused reserves but also to decrease this way the shortage of one or another type of resource.

In our opinion, one of the measures to overcome shortages is related to the formation of a system to maneuver material resources on two levels: in the individual companies and by region. If a given material resource cannot be used within a company's framework then it must be left to the corresponding commercial company (PSO) to include in its automatic redistribution system. It is advisable that the nine regional information system centers on materials and equipment supply take over material resource placement on the national level.

The implementation of the proposed method to limit shortages will lead to definitive results only under the conditions of successful economic reform. We must realize that even if the entire system of production incentives is implemented, the desired result will not be achieved if major changes in production planning and materials and equipment supply do not take place at the same time.

Varna's Management School: Courses, Fees, Future Plans

22000085 Sofia IKONOMICHESKI ZHIVOT in Bulgarian 21 Jun 89 p 7

[Interview with Associate Professor Petur Dimitrov by Georgi Karaslavov, regional correspondent: "How To Obtain a Manager's Diploma"; date and place not given]

[Text] [IKONOMICHESKI ZHIVOT] The first course of Varna's Graduate School for Management was inaugurated in April. Twenty eight managers divided in two groups became eligible to be the first to receive Management Diplomas with the Varna seal.

What are the Graduate School's objectives? How will training be conducted? What are the criteria for admission? Starting with these questions we began our interview with Associate Professor Petur Dimitrov, M.A., director of the Graduate School for Management in Varna.

[Dimitrov] It is hardly necessary for me to prove that management personnel with formal management training is greatly needed in our country. Times are different. Now managers have to develop company policy, strategy, and tactics for themselves and must have the ability to make the best management decisions.

The Graduate School for Management will function as a relatively independent educational and consulting element in the continuing education system at the D. Blagoev VINS [Higher Institute for the National Economy]. The higher education council decided that the Varna School must be oriented toward the academic standard used in manager training at foreign business schools.

Training is provided on three levels. The first is a postgraduate 2-year training and retraining course by correspondence and classroom lectures. Those who complete it receive a Manager's Diploma. The second level is an 18 month postgraduate specialization course leading to certificates for the participants. The third level consists of short courses to expand knowledge and exchange experiences. They last 40 days and at the end the participants receive certificates. In April we inaugurated two of the levels: the two year course in which managers from all over the country were included, and three short-term 40-day courses in which specialists from the Orbita youth tourism chain participated.

The school accepts specialists with university degrees, less than 50 years of age, who have had a minimum of 2 years experience as managers. Training is entirely at the expense of the companies and enterprises which send candidates, however, the fee can be paid by the students themselves. For example, the fee for the 2-year course is between 3 and 4 thousand leva, which is significantly less than fees abroad.

[IKONOMICHESKI ZHIVOT] You mentioned that the students themselves can pay the fee. Does this mean that you offer individual study?

[Dimitrov] Yes, we plan to provide individual training also. In this case we will provide study materials,

individualized instruction, and consultations. Those who complete it also receive a document.

[IKONOMICHESKI ZHIVOT] You spoke of block module structure for the study program. What exactly is included in this structure?

[Dimitrov] It includes four study blocks: language, sociology, general management training, and specialized management training. The block on general management training consists of modules on management theory, organization and theory for internal company management, company price and market policy, and so on. Specialized management training is coordinated with the specific description of the various company managers, as well as some aspects of computer science, patents and licensing activities, and so on.

[IKONOMICHESKI ZHIVOT] How do you see the development of the school in the future? As its first director, surely you have some ambitious plans?

[Dimitrov] In the first place there is the need to establish a common national network of training schools for Bulgarian managers. Integration with the Karl Marx VII [Higher Institute of Economics], the Angel Kunchev VTU [Graduate School of Commerce], the Institute of Social Administration and other schools will increase the effectiveness of our as well as their activities. We also expect to include some lecturers from foreign business schools.

In the second place, I will emphasize our idea to establish a Management Consulting House for Long and Short Term Services in the Field of Marketing, Company Policy and Strategy. Interest for such services has already been shown by businesses in Syria, Libya, and other countries. At this time let us work only on these ideas. With time there will be others. For anyone interested in our Graduate School for Management the address is: 9000 Varna, D. Blagoev VINS, Continuing Education Department, Graduate School for Management, telephone: 88-76-10 or 2-33-81 (ext. 277), Varna.

GERMAN DEMOCRATIC REPUBLIC

Shipbuilding Production Figures, Employee Services Detailed

23000200 West Berlin DIE WAHRHEIT in German 28 Jun 89 p 5

[Article by Frank Losensky: "'Complicated Ships Are Our Specialty'"]

[Text] At roughly 12.5 million items in export and import freight per annum, GDR overseas freight transportation as carried on by the Rostock Deutfracht/Seereederei enterprise is second only to rail transportation. The 165 ships operated by the enterprise represent the most advanced ship construction and offer such a large variety of types of ships as to inspire shipyard director Walter Behlich to confidently forecast "that we will not have to charter any foreign ships for our country's exports in future years either."

Behlich took over the management of the Rostock Warnow Yard in 1982, at a time when the GDR began a continuing phase of annual export surpluses. The 56,000 shipbuilding employees of the country have provided an active contribution, and this is again evidenced in the 1988 annual report by the producer group combined in the Ship Construction Combine. Of the 37 new ships built, 34 went to operators in the USSR, the Netherlands, Yugoslavia, Bulgaria, and Liberia.

The remainder, including a railroad cargo ferry and a full container ship in the "Saturn" series, expanded the stock of the Deutfracht/Seerederei. The container ship represents the largest new ship ever constructed in a GDR yard as well as a so-called ship of the future. Walter Behlich's yard has now launched the fourth and last "Saturn." He points specially to the one-man operation on the cockpit bridge and to the heavy oil/water emulsification plant. The latter reduces fuel consumption by up to 3 percent, a significant gain in view of the worldwide rise in energy costs.

The director calls the new specialty of his yard the "complicated ships." He began to work there as an apprentice shortly after the GDR was established in 1949. The yard's production ranges from wooden fishing cutters via conversions of prewar freighters and liners to ocean going freighters. Almost 400 new freighters have been launched from the quays since 1956.

A Healthy Order Book Without Subsidies

The 42 new ships built in the past 5 years, the more than doubled value of repairs carried out in the same period as well as products for the consumer goods sectors earned the Warnow Yard a turnover of M4.5 billion since 1984. One-tenth of this amount was spent on expansion and modernization; in 1988, for example, on a swimming dock purchased from Belgium for ships of the "Panamax" class with a deadweight of up to 75,000 tons. Behlich proudly mentions that "the yard manages without government subsidies. The order book is healthy, full employment secure. We do quite well by the cost/profit margin."

Compared to GDR standards, the enterprise pays above average wages to the production personnel who account for 4,300 of the 6,100 total employees. The top rate of M 7 per hour is paid welders on the slipway. Behlich says that this type of hard work in all types of weather is almost impossible to sustain until retirement age. When workers have to stop doing it for health reasons, they will now be able to switch to the production of consumer goods. Not only does this help the satisfaction of the demand for (among others) trailers for passenger cars, it also guarantees full employment to all yard workers.

Works cafeteria meals cost from M 0.70-1.90. They are altogether free to pensioners who used to work at the wharf. The enterprise spends M 2.5 million annually to subsidize the cafeterias. The yard subsidizes the child care facilities and employee vacations in the same amount. Employees travel free to their work places.

The enterprise health center employs 20 physicians, including surgeons and gynecologists. In 1988 it dealt with only just above 100 accidents at work. To make sure that this low incidence (low in terms of the industry) should continue to decline, the enterprise is getting rid of job hardships and, therefore, has reorganized more than 1,600 jobs since 1984. Looking to the future, Walter Behlich says that "we dream of building an entire ship under a roof." Indicating the preassembly of various ship sections, already largely in place in Rostock, he describes as an immediate target the further shift of construction work to the hangar.

The order books through 1995 are well filled in the neighboring Neptune Yard and the yards in the Baltic cities Wismar and Stralsund, just as in the Rostock Warnow Yard. The Neptune Yard was the only sizeable industrial enterprise remaining in the present Rostock district after World War II. At the beginning of this year it was designated the parent enterprise of the Ship Construction Combine and is to be the leader of the combine's performance development. The 140-year-old enterprise has a history of more than 600 launches and now increasingly emphasizes its scientific-technological potential.

Wismar is building large ferries for carrying rail traffic between the GDR and the USSR as well as container series, specially for Western customers. Stralsund specializes in factory ships for the GDR and USSR fishing fleets. In 1988 alone, the time taken from laying down the keel to the launch dropped by one-third to 66 days. The Ship Construction Combines also has yards inland as well as equipment factories for, among others, engines, electronics, refrigeration plant, deck equipment, interior decoration, and waste disposal plant. The foreign trade enterprise Schiffssommerz is also part of the combine.

Dieter Strobel, spokesman for the combine, says that shipbuilding, oriented to the world market, also takes care that domestic component suppliers should remain competitive in international terms. This cooperation ensures that the GDR is able to maintain its status as one of the leading shipbuilding nations.

Construction Standards Established for Repairs, Renewal

23000195 East Berlin BAUZEITUNG in German
No 7, Jul 89 pp 295-296

[Article by Prof Dr Gottfried Fuchs, GDR Construction Academy, Institute for Management, and Diploma Engineer Harald Hofknecht, VE Combine for Construction Repairs and Reconstruction, Leipzig: "The Perfection of the Business Management Analysis in Kreis Managed Construction by the Use of BC [office computer] Equipment"]

[Text]

Tasks and Targets

With around 90,000 employees in more than 300 combines and enterprises, the state-owned construction capacities in

the kreis-managed construction industry represent a significant segment of the construction industry.

These economic units differ considerably with respect to their size, capacity, task profile, and capacity structure. They account for roughly 13 percent of the construction yield of the Ministry for Construction. More than half their output is used to fulfill the housing construction program, mostly for the maintenance and modernization of the traditionally constructed housing stock. The same combines and enterprises also provide a large contribution to the safeguarding of the material-technical base of the national economy as well as to the maintenance and improvement of the social and technical infrastructure.

In accordance with the existing housing stock and the catch-up requirements with respect to the renewal of the housing stock, the demand for housing construction in the 1990's will increasingly come from small and medium size cities.

To satisfy this demand for housing construction it will be necessary to achieve the further capacity growth of state-owned and kreis-managed construction enterprises. Only then will they be able with their own capacities and in conjunction with their cooperation partners to efficiently carry out their assignments involving above ground and underground construction with respect to repairs, modernization, reconstruction, and replacement construction, in particular in small and medium size cities.

In response to a directive by the Ministry for Construction and the Product Group Union for Construction Repairs and Modernization of Residential and Social Buildings in the GDR (hereinafter EGV BRM), combines and enterprises were asked by the perfection of operational analyses and the use of BC¹ equipment² to make a contribution to the improvement of the capacity and efficiency of state-owned and kreis-managed construction enterprises operating in small and medium size cities.

This improvement in output and efficiency is to be achieved by raising labor productivity and lowering prime costs per M100 construction output by 1990, using the following methods (among others):

- The use of available reserves made evident by means of the further development of performance comparisons and operational analyses;
- The ongoing enforcement of the unity of planning, reporting, and analysis of construction output and costs by means of PC [personal computers] equipment as well as justified output and cost targets in the production units;
- The improvement of the flow of construction output on the basis of a technologically based scheduling as well as the unity of balance, plan, and contract;
- The further management-organizational definition of kreis construction enterprises.

Results

In the course of socialist teamwork by representatives of the ZAG [ad hoc study group] on Economics of the EGV

BRM, the Institute for Economics at the GDR Construction Academy, the Institute for Socialist Management at Leipzig Technical College and the Meissen Kreis Construction VEB [State Enterprise], and based on analyses in the kreis construction enterprises, the elucidation of the specific reproduction situation in these enterprises as well as assessments of existing computer aided management solutions, the following results were achieved with respect to the handling of the above tasks and targets.

Proposals on the Further Development of the Central Performance Comparison of the EGV Construction Repairs and Modernization

Following many years of experiences gained in the conduct of the central performance comparison by the construction VEB's of the kreises, the performance comparisons of district product groups and extensive analytical studies, a study group made up of representatives from the EGV BRM secretariat, the ZAG on Economics of the EGV, the Leipzig Technical College and the Institute for Economics at the GDR Construction Academy, drafted proposals for the further improvement of the central performance comparison. In November 1988, the EGV BRM council agreed on the following fundamental changes to take effect on 1 January 1989 and to first affect the assessment of the first quarter 1989:

- The central performance comparison is to be carried out in the following groups:

1. District pilot enterprises and EVV [Production Administration Group] enterprises in the GDR

2. Kreis construction enterprises with kreis function up to 300 VbE [full employment units]

3. Kreis construction enterprises with kreis management function in excess of 300 VbE.

This does away with the former Group 4 with a specialized production range, and also dispenses with the central performance comparison with respect to city district construction repair enterprises in the following cities:

Erfurt,
Karl Marx Stadt,
and Leipzig

because, in constitutional terms, these city districts are not the equivalent of kreises. The enterprises concerned will continue to be involved in district performance comparisons and assessed accordingly.

The central performance comparison is based on the following indicators:

1. VbE (for group classification)

2. The output of the construction industry (only as a plan fulfillment indicator)

3. Labor productivity on the basis of net output (as the indicator for the standard, the plan fulfillment, and progress achieved)
4. Quality (as the indicator of the standard achieved)
5. Operating result in M/VbE (as indicator of the standard, plan fulfillment and progress achieved)
6. Prime costs per M100 PdB [price per construction] as indicator of the standard, plan fulfillment and progress achieved)
7. WE [housing units] handed over

(Sum total of modernized, reconstructed, and new housing units. For informational purposes, the use values of these three types of reproduction must be separately shown in the table of indicators)

- The former local ratings method for the evaluation of the central performance comparison has been replaced by the so-called weighted optimum ratings method. This provides for the assessment of the various combines and enterprises within the EGV BRM consonant with the percentagewise fulfillment of the various indicators respectively related to the optimum rating.

Programs for the Improvement of Selected Business Management Solutions

In order to achieve the targets listed, work concentrates on the development or further development of business management solutions, including PC programs for the further improvement of the planning, reporting, and analysis of the construction output and costs in kreis construction enterprises.

Solutions, including PC programs, were therefore worked out with respect to the following complexes:

- Scheduling, balancing and production planning as well as the registration of construction production by range (complex I), based on the TV 5 [technical administration] program of the BMK [building and assembly combine] South Planning and reporting of the costs of construction production (complex II) Rationalization of cost and performance accounting by means of existing selected computer programs (complex III) Model analyses (complex IV) Materials stock standardization (complex V).

Work on this task also provided for the substantial solution and a PC program with respect to balancing the need for and amount of planning services—planners-capacity balance—(complex VI).

These PC backed solutions are presented in the following four articles (pp 297-314) of this issue of BAUZEITUNG [not reproduced]. The business management solutions and the PC programs to be prepared to that end as well as their use by kreis construction enterprises is intended to achieve

in these enterprises especially the rationalized standardization of planning, reporting, and analysis of the construction output and its costs, and for this standardization to be technologically backed by PC equipment.

In complex I we are establishing production planning for the kreis construction enterprise and its production units on the basis of the objective and order concrete demand and the available capacities (in man days relative to completed work and months). By using the differentiated cost rate method, the program enables us to ascertain for complex II the plan costs of the planned production, the plan costs of the actual production (as a whole as well as for various selected costs), either on the basis of the planned construction output (by assortments) or on that of the actual output, as well as to ascertain the percentage plan fulfillment of construction output and the costs arising for the various production units (by quarter and accumulatively).

As regards cost and performance accounting (complex III), programs proposed and currently being developed by selected economic units were considered and recommended for use in kreis construction enterprises.

The use of a model analysis (complex IV) offers a possibility for analyzing the development of efficiency by the indicators "labor productivity" and "cost rate" (relative to the output of the construction industry) and to trace enterprise reserves for improving efficiency.

Use of these programs offers the kreis construction enterprises an opportunity to further improve and rationalize their management in all fields and, at the same time, prepare themselves for the demands arising from extensive self-financing.

Use of the programs for planning, accounting, and analyzing construction output and costs first of all calls for technologically based work with indicators, in particular the ascertainment and updating of labor productivity values and cost rates on the basis of the evaluation of selected cost units and cost centers as well as the inclusion of the effects of the plan for science and technology. Before the introduction of the program it is also imperative to train the respective cadres and precisely define or elaborate management directives.

The programs available for complexes I-IV initially represent isolated solutions. Within the framework of the first follow-up stage in the introduction of computer assisted management it is intended to coordinate and thereby integrate these programs both in terms of content and computer equipment.

Proposals for the Further Clear Outlining of Kreis Construction Enterprises

Following the Ministry for Construction's conception on the future progress of the performance and efficiency in the kreis managed construction industry, proposals were submitted on the further management-organizational outlining of kreis construction enterprises. These were classified in the following groups of tasks:

- Definition of a challenging task and performance outline for the kreis construction enterprise—adapted

to regional requirements and conditions—that will more completely develop the potentials of this most efficient construction enterprise in the region as well as be consonant with the size of this construction enterprise

The evident improvement of the standard of the management and organization of construction site processes on the basis of the greater use of specialized production collectives

The perfection of the internal enterprise process organization on the basis of the further improvement of the present organization of scheduling and structure. The aim is to organize continuous process scheduling, effectively coordinate structural units for the purpose of the division of labor within the enterprise as well as create the appropriate conditions for the widespread application of industrialized production principles hitherto largely confined to single occasions.

The comprehensive development of regional-economic effects with the aim of using all construction capacities available in the kreis as well as all resources helpful to construction and thereby to achieve the greatest possible benefit for the reproduction of the building stock in the region.

Transition to Application in the Field

Members of the Institute for Management are prepared to actively assist kreis construction enterprises in the introduction of the above mentioned PC assisted management solutions, in particular with a view to the unity of planning, accounting, and analysis of construction output and costs.

The relevant methods offered are:

- Programs and documentations
- Construction enterprise discussions aimed at imparting the experiences and knowledge gained with respect to the preparation and use of the programs, including the ascertainment of indicators
- Training courses for the acquisition of skills and capabilities with regard to the use of the programs

In tandem with assisting the transition to operational use, we are working on some further developments and the integration of the programs mentioned.

Further Consumer Goods Shortages Belie Official Reports

23000201 Munich *SÜDEUTSCHE ZEITUNG* in German 28 Jul 89 p 4

[Article by Albrecht Hinze: "Life and the World of Figures"]

[Text] As always, the actual state of the GDR economy remains rather unclear. On the one hand, the official state statistics on plan fulfillment report good or even best figures. In a general trend they may even point in the right direction, approximately at any rate. But at the least, imbalances are concealed behind them. Actual supply shortages and distribution difficulties, sometimes

even acknowledged, give information on those, as has happened just now. According to official statistics, the national income produced in the first half of 1989 has grown by 4 percent, which would put the GDR economy squarely in the middle of the annual plan. The same applies to the reported 6 percent increase in work productivity. Other indexes such as industrial goods production with an increase of 4.4 percent, and industrial net production with a growth of 6 percent, would even surpass [the plan]. But with other indexes—investments and reduction in costs—the GDR economy evidently is lagging behind.

All these data traditionally suffer in two respects: First, their compilation appears questionable since the enterprises' system of reporting successes produces, from one level to the next, ever more advantageous figures; after all, bonuses and commendations depend on them. And secondly, it is left open on what prices, nominal or real, these figures are based. The average GDR citizen is, however fairly indifferent to all that. He experiences reality often enough at the workplace with numerous shortages of materials and spare parts, and in shops with shortages of consumer goods, or of inferior quality.

True, prices for goods of daily needs, transportation fares, and electricity rates as well as rents have remained at the same low level for 4 decades. By now, this costs the GDR state at least 50 billion marks in annual subsidies. On the other hand, almost everywhere else, particularly in the expensive delicatessens and luxury stores, a noticeable inflation is taking place which runs ahead of the income development and is suppressed in the statistics. The East Berlin CDU [Christian Democratic Union] paper *NEUE ZEIT* [comments] in this context: "On occasion, life differs from the world of figures."

In an obviously centrally directed campaign of commentaries, several other publications, in addition to *NEUE ZEIT*, made critical remarks on the subject of availability of the "thousand little things," a turn of phrase popularized by Erich Honecker and applied in this country to food, some services, and technical consumer goods. Even the SED [Socialist Unity Party of Germany] central organ, *NEUES DEUTSCHLAND*, which normally refuses to criticize local conditions, admonishingly called for plan fulfillment conforming to quality and product mix. It was learned that in some areas of the country there were no vegetables, fruit or fresh foodstuffs. "That is already a repetition," commented *NEUE ZEIT*. Some enterprises experience delivery backlogs of furniture, outerwear, shoes, and bicycles. At least in Berlin there is a shortage of wire brushes, sandpaper, paint brushes, brooms, and locks. And experience has taught that it is even grimmer in the provinces than in the capital.

All this, and much more, was already reported in that semiannual plan fulfillment report. According to it, the populace also lacks various types of repair facilities; in some places, restaurants leave something to be desired; not everywhere did housing construction proceed

according to plan, and there are not enough artisans, such as shoemakers, and bakers. The report, however, had occupied three large-format pages in *NEUES DEUTSCHLAND* which overall were difficult to digest. Thus the hints and indications concealed at the end remained unnoticed at first. The campaign of commentaries probably is to do justice, at least in words, to the recently growing irritation among people. Furthermore, it is a continuing concern to name sinners against the plan and stimulate them. Consumer goods shortages and distribution difficulties in the GDR will remain the eternal topic that they have been from the very beginning.

POLAND

Wood Pulp, Paper Factory Seeks Foreign Capital Participation

26000619a Warsaw *TRYBUNA LUDU* in Polish
23 Jun 89 p 11

[Article by (lc): "The ZCP in Kwidzyn To Enter Into a Partnership With Foreign Capital"]

[Text] At the ZCP [Pulp-and-Paper Enterprise] in Kwidzyn, technical and legal preparations are under way for forming a partnership with the participation of foreign capital. The most serious offers from among several submitted by banks and enterprises have come from the FRG and Great Britain. Within days, an offer from Sweden should arrive. The enterprise is looking for a partner who does not only have cash but also relevant experience.

The signing of preliminary agreements is likely to take place in the beginning of July. The entire process is to be completed before the end of this year, so that the partnership will be able to begin operations on 1 January 1990. It is not envisaged that the ZCP will be liquidated in the process.

The capital of the partnership will amount to several dozen million dollars. It is expected that the discontinued construction of the fifth paper-making machine, which is to produce bathroom tissue, may be resumed 2 years after the company is created.

Chemical Industry Enterprises Benefit From Foreign Credits

26000623b Warsaw *RZECZPOSPOLITA* in Polish
27 Jun 89 p 5

[Article by T.B.: "Ciech Aids Restructuring"]

[Text] More than 40 enterprises of the chemical industry have already taken advantage of foreign loans arranged by the Ciech Foreign Trade Enterprise with a view to promoting production for exports and investment in modernization.

The size of loans ranges from \$50,000 to several dozen million. The largest one, in the amount of \$45 million, is

being negotiated at present for the Chemical Enterprises in Oswiecim. The repayment will be made in the export of plastics.

Most of the loans are arranged through the Commercial Bank, cooperation with which has developed very favorably, as Director General of the Ciech Wladyslaw Szczepankowski stresses. However, loans directly from Western concerns, with the bank route obviated, also happen. By such arrangements, the enterprise has secured literally within several days 4.5 million West German marks from the West German concern Helm for the Nitrogenous Fertilizer Plant in Wloclawek.

As recently as 2 years ago, such credit aid to industry drew a remark from the Ministry of Finance that activities of this type are "useful but illegal." However, after much correspondence, the ministry sanctioned this "illegal" operation, also allowing the Ciech to provide loans out of its proprietary currency reserves accumulated in the assets accounts (they are generated by exchange-type operations).

However, the aid to export-oriented restructuring by foreign trade units does not always meet with proper understanding in industry. In the years past, industry became accustomed to hard currency being "handed out" by the economic center; hence, some do not agree to credit operations, since loans must be repaid in export production.

Decentralization of Agricultural Policy Defended

26000644 Warsaw *ZYCIE PARTII* in Polish
No 13, 28 Jun 89 p 17

[Article by Mieczyslaw Solecki: "Why Regionalization?"]

[Text] Agriculture is indivisible, yet internally it is very differentiated. The share of farming sectors, the size of the farms, and the natural conditions of production, differ according to region. The amount of technical equipment, consumption of means of production, agricultural infrastructure, the demographics of the countryside, etc., also vary. As a consequence, the size of farm production in regions, the degree of affluence, and the farmers' working and living conditions, also differ.

For example, in the Koszalin and Szczecin Voivodships over 60 percent of the farmlands are socialized, while in nine voivodships (located mainly in the southern and eastern parts of the country) it is less than 5 percent. In five southern and southeastern voivodships the average size of peasant farms is 2 to 3 hectares, and in the Suwalki, Olsztyn, and Lomza Voivodships it exceeds 10 hectares. The share of the poorest soils in Ostroleka Voivodship is close to 70 percent, and in Zamosc Voivodship it is slightly over 10 percent. In 80 of the country's gminas the share of poor soil is as much as 70 to 80 percent of the total arable land area, and in another 44 gminas it exceeds 80 percent. These, therefore, are areas where production is very unprofitable. In over 300 gminas the State Land Fund [SLF] covers 5 to 10 percent

of the farmland, and in more than 150 gminas this share exceeds 10 percent and in some extreme cases is even greater than 25 percent. These are areas in which constant, efficient utilization of croplands is very difficult. These gminas are scattered over 24 voivodships.

People are fleeing from some regions and depopulation is occurring. A large disparity is appearing in the technical infrastructure of agriculture, e.g., the consumption of electrical energy in the Bialystok, Lomza, Suwalki and Chelm Voivodships, in terms of 1 hectare, is approximately fivefold less than in Bielsko-Biala Voivodship, and the share of private farms which get their water from a community water-supply system is, e.g., in Siedlce Voivodship, over fifteenfold lower than in Szczecin Voivodship (3.5 and 50 percent, respectively). Fifteen voivodships are mountainous and hilly areas, where the degree of farming difficulty is higher than the average.

A Shadow on the Picture

Our agriculture in recent years has achieved fairly good results. Compared with 1982, last year, a year in which production figures were not the best, total production rose approximately 15 percent and net production, which is regarded as the "truth indicator", rose by a similar amount. We are meeting the basic food needs of the people, and the food-articles market, with all of its temporary shortages, is generally the best and most continuously supplied sector of the entire domestic market.

We have gone, during this period, from a deep deficit to a favorable balance sheet in the trade of farm-food articles, attaining a strategic goal: the country's self-sufficiency in food production. But this picture of the situation has its own deep shadows: acute shortages in means of production, shrinking profits in this production, low incomes for farmers, etc. The situation varies greatly according to regions, and there are entire groups of specific local problems.

The development of agriculture and the food economy is one of the main priority goals of the economy as a whole. This development will depend on the fulfillment of many conditions. Deliveries of means of production and technical equipment for agriculture must be increased. Steady profitability of production must be ensured. The permanency of farming must be guaranteed, and this is seen by farmers more in economic terms than in constitutional provisions.

In recent years the disproportions in the agricultural development of regions have begun to grow and become more severe. To a large degree this was caused by the policy, applied over many years, of giving preference to regions which were highly productive, in which, because of natural conditions, technical equipment and the professional level of the producers, relatively the highest efficiency of means of production, credit assistance, etc., was achieved. Now conditions compel us to quickly activate the production reserves which appear precisely in the regions which had been "pushed aside," to drastically slow down the processes of production degradation.

We are referring to the policy of farm regionalization. This is not a new idea. It had an important place in the deliberations of the 11th Joint Plenum of the PZPR CC and the ZSL SC (January 1983) and then in the "farm" portion of the 10th Congress resolution, in the resolution of the recent ZSL Congress, and in last year's Sejm decision requiring the government to develop and apply a program for such regionalization. The need for it is universally recognized. Unfortunately, there is more discussion and declaration of intention to proceed than concrete action. True, individual decisions were made which spoke about the solving of production and societal problems (e.g., the so-called mountain resolution, the resolution pertaining to farming in the eastern voivodships which are losing population); but there has been no comprehensive approach to these matters.

Something Is Changing

But recently something is beginning to change for the better. The first, reasonably comprehensive concept of the regionalization of farm policy, arose in the ministry of agriculture. A special representative of the government was appointed.

A new look at the entire matter of territorial distribution and development of the food economy is crystallizing. The country will be divided into nine macroregions. In agriculture each of them has its own specific nature, varied conditions, goals and ability to expand the food complex.

In those macroregions which are linked to large urban centers (Silesia, the capital, Lodz), production connected with supplying food to those population centers is foremost. The choice of directions of production, the proposed systems of interregional coproduction, etc., serve this purpose.

In the northeastern and mideastern areas, and also in the midwestern belt, the primarily goal is to maintain a kind of food-production basin, although the way in which of these regions will achieve this goal will be different. In these areas, the development of a food industry and, in part, an agricultural infrastructure, will be very important.

In the northern belt the concept of the development of a food economy is linked mainly with the utilization of the large-commodity production of the socialized sector of agriculture which is concentrated here, and developing it into farm-industry-trade economic organizations.

These are examples of attempts to more reasonably tie the concept of the development of the food economy to local needs and conditions.

But inside each of the so-perceived agricultural macroregions there sometimes appear very different production and social situations, and preconditions and ways to reach goals.

In the present situation, the main goal of regional farm policy is to slow down the process of the falling out of land from farming production, prevent the depopulation of the countryside in certain regions of the country,

create incentives for farming land, particularly land which, from the standpoint of production, is not attractive (poor soil, difficult climatic conditions, hilly terrain, inadequate infrastructure) and recompensate the costs of agricultural production in places where, for reasons having nothing to do with the producers, costs are highest, i.e., the appeal of farming is the lowest.

Roads to the Goal

One of them is the idea of periodic exemptions from farm tax and from other charges (e.g., land reclamation and electrification fees, fees for installation of community water-supply systems) on poor-quality land obtained from the SLF in larger amounts (e.g., at least 5 hectares), subsidizing poor soils and land located in mountainous and hilly areas, establishing preferential credit terms for new farms (or enlarged farms) which take over SLF land.

It is proposed that agricultural science measures be stimulated so as to develop and apply comprehensive methods for efficiently farming on light soils and in regions where farming is very difficult. Land development plans should be verified to determine the condition of the farm infrastructure, especially those areas which are backward in this respect. Institutional proposals have already been made to guarantee financial coverage for these plans and solutions.

Privileges, reliefs, and money connected with regional production problems would somewhat automatically go where the concentration of farming difficulties and the growth of unfavorable production aspects is the greatest. The state, therefore, would create regional policy, giving the local authorities new instruments and means of action for their expedient use.

Late in May the CC Commission on the Countryside and Agricultural Policy examined the concept of a regional farm policy. The need for regionalization of actions within the framework of a single and lasting farm policy was affirmed. The need for creating new conditions in order to stimulate production in the most difficult areas, without slowing down the rate of its development in the traditionally high-production areas, was affirmed. It was recommended that the concept be more precisely defined and perfected as quickly as possible.

Early in June the concept of regionalization of farm policy was examined, in turn, by the Economic Committee of the Council of Ministers, which decided, after discussion, that by the end of October of this year drafts of concrete legal regulations should be written which would allow practical implementation of the policy beginning in 1990.

We seem, therefore, to have slowly come closer to fulfilling that part of the 10th Congress resolution which points to

the absolute need for a differentiated—taking regional characteristics into account—application of farm-policy decisions dealing with economics and organization.

Shortage of Funds Threatens Existing Highway Construction

26000619c Warsaw TRYBUNA LUDU in Polish
21 Jun 89 p 1

[Article by Renata Krawczynska: "Will There Be Funds To Complete the Freeway?"]

[Text] The law on the fund for the construction of freeways and expressways, which was recently adopted by the Sejm, takes effect on 1 July 1989. Moneys tied to the amount of consumption of liquid fuel will be the main source for replenishing the fund. Therefore, the development of motoring, or a greater number of vehicles, means greater purchases of fuel. This, in turn, would mean more money for the fund and, consequently, more freeways and expressways built.

It turns out that we have to build between 50 and 60 kilometers of such roads a year in order not to fall behind the world leaders in freeways. Meanwhile, merely... 15 kilometers a year are built in Poland.

A freeway from Wroclaw in the direction of Krakow, Tarnow, and further to the state border has been under construction for 5 years. Thus far, 30 kilometers have been commissioned.

Director General of the Wroclaw Road and Bridge Construction Enterprise Romuald Naturalny says: "This year, we planned to commission an interchange in Prady-Przylesie. Unfortunately, we lack money—about 900 million zlotys. All of us count now on the moneys of the fund for freeway construction; however, in this matter the issue of the timing of their eventual receipt is crucial. The law takes effect in July. If we receive money at this very time, July and August, we will manage to complete the construction of the top part of the interchange.

As the director states, for now major work is "going nowhere." Work is only done on bridge facilities. In turn, on the freeway, where the greatest progress should be made, only housekeeping work is done.

Director Naturalny goes on: "Unless money is found within the two months to come, the enterprise may fall apart. As I see it, a loan provided to the investor by the minister of finance would be the best solution. We have a stock of materials, and we have the right equipment. This is all that you need for construction. Only money is lacking, but this does not depend on our enterprise."

Thus far, plans for catching up with Europe in the field of expanding the system of freeways and expressways have been expressed in the law adopted by the Sejm. The nearest months will show the degree to which such endeavors are translated into reality in, say, the case of Wroclaw.

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